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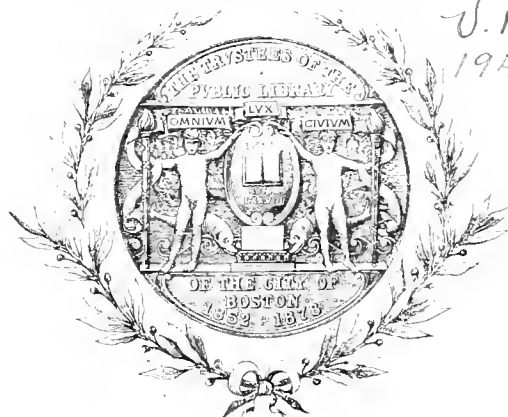


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# DEFENSE

*OFFICIAL WEEKLY BULLETIN OF THE  
OFFICE FOR EMERGENCY MANAGEMENT*

## INDEX

*JANUARY 1 to JULY 1, 1941*  
*VOL. II NOS. 1-26*



*JULY 1941*

## Explanatory Note

The arrangement of this index is based on the format of **DEFENSE**. Therefore, each story is listed under the particular defense agency or Government division from which it emanates.

In most cases, individuals acting in an official capacity for a certain agency are listed under that agency. In an attempt to anticipate the needs of readers, however, much cross-referencing has been used. Vital industrial materials, well-established Government policies, and other subjects receive page listings only.

The reference numbers in parentheses indicate the issue of **DEFENSE** and the numbers immediately following indicate the page.

*Examples:*

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Section, Production Division (22) 16

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AT-8 PLANE, first one delivered (1) 3

(This item appears in No. 1, page 3, of the current volume.)

## Key to Abbreviations

DMB.....	Defense Mediation Board
H. J. RES.....	House Joint Resolution
NDAC.....	National Defense Advisory Commission
OADR.....	Office of Agricultural Defense Relations
OCD.....	Office of Civilian Defense
OPACS.....	Office of Price Administration and Civilian Supply
OPM.....	Office of Production Management
USO.....	United Service Organizations
WPA.....	Work Projects Administration





ADAMS, JAMES S., appointed chief, Materials from Agriculture and Forest Products Section, Production Division (22) 16

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May 6-July 1. (See Agriculture U. S. Department of)

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- Principles followed in contract awards, (1) 3

**COPPER, Prices and Supplies,** (17) 18, (19) 2, (22) 7, (24) 6**COOKE, MORRIS L.,** chairman, Shipbuilding Stabilization Committee, (2) 5, (4) 11, (5) 8, (5) 9, (11) 2, (11) 5**COY, WAYNE,** addresses Franklin College, Indiana—"Necessary Sacrifices Not Yet Realized in United States," (24) 24**CREIGHTON, ALBERT M.,** appointed coordinator, Defense Contract Service, (9) 6**CUNNINGHAM, H. B.,** appointed assistant director in charge of Subsistence and Supplies, Purchases Division, (10) 6**(See also, (11) 9, (13) 8)****CUTLER, ELLIOTT CARR,** appointed to Civilian Defense Medical Board, (24) 22**D****DAVIES, RALPH K.,** appointed deputy petroleum coordinator, (24) 16**DAVIS, CHESTER C.,** (See Agricultural Division, NDAC)**DAVIS, CLYDE,** (See Production Division, Food Products Section)**DAVIS, JAMES P.,** appointed associate price executive, Textiles and Apparel Section, OPACS, (20) 7**DAVIS, WILLIAM H.,** (See Defense Mediation Board)**DECENTRALIZATION OF DEFENSE INDUSTRIES** (1) 5, (2) 12, (5) 15, (9) 12, (11) 14, (25) 21**DE CHAZEAU, MELVIN G.,** to head Iron and Steel Section, Civilian Allocation Division, OPACS, (25) 12**DEFENSE AGENCY REORGANIZATION,** (11) 1**DEFENSE AID REPORTS DIVISION,** established by Executive order, (19) 3**DEFENSE BONDS,** amount sold, (25) 24, (26) 2**DEFENSE COMMUNICATIONS BOARD,** forms liaison group with OCD, (26) 22**DEFENSE CONTRACT SERVICE,** (See Production Division)**DEFENSE FIRE PROTECTION ADVISORY COMMITTEE,** (See State and Local Cooperation Division)**"DEFENSE IN ACTION"** broadcast, (12) 4**DEFENSE LOANS** aggregate more than \$1,000,000,000, (3) 2**DEFENSE MEDIATION BOARD:**

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  - Twin District Council Logging and Sawmill Operators, (19) 7, (21) 9, (23) 4
  - Utica Mohawk Co., (19) 7, (20) 8

**Davis, William H.:****Appointed chairman, Defense Mediation Board,** (25) 3**(See also (25) 4)****Dykstra, Clarence A.:****Named chairman, Defense Mediation Board,** (13) 2**Outlines board's procedure,** (13) 2**Resigns post,** (25) 3**Executive order establishing board,** (12) 14**First cases settled in less than 4 days,** (13) 1**Membership, DMB,** (13) 3**Status of cases as of:****Apr. 15, (15) 4****Apr. 22, (16) 8****Apr. 29, (17) 7****May 6, (18) 10****May 16, (20) 9****"DEFENSE—ONE YEAR"—bulletin on facts and figures of defense program,** (21) 2**DEFENSE PLANT CORPORATION** to purchase power and munitions plants from Great Britain, (12) 9**DETROIT DEFENSE INDUSTRIES** inspected by Army, Navy, British, and OPM officials, (18) 9**DEUPREE, R. R.:****Appointed chief, Agriculture and Forest Products, Production Division,** (3) 3**(See also (22) 16)**

DIETZ, J. W., coordinator, Training-Within-Industry program, (1) 8, (3) 12, (11) 1  
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**DOMINICK, GAYER G.**, named chief liaison officer between Priorities Division and Maritime Commission, (20) 11  
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**DUNN, GANO:**  
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**DUNN, READ**, appointed consultant in Agricultural Division, (3) 13  
**DYKSTRA, CLARENCE A.** (See Defense Mediation Board. See also Selective Service)

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**EDISON**, destroyer, record construction time set, (1) 2  
**EDLER, GEORGE C.**, heads Seed Committee, Interdepartmental Conference Committee on National Food Resources, (3) 13  
**EDWARDS, H. T.**, to make tropical plant survey, (21) 19  
**EISENDRATH, WILLIAM B.**, appointed producers' representative, Hides, Skins, and Leather Priority Committee, (18) 6  
**ELHART, EARL W.**, appointed adviser on retailing and marketing information, Consumer Division, (12) 11  
**ELLIOTT, HARRIET.** (See Consumer Division, NDAC. See also OPACS)  
**EMMERICH, HERBERT**, appointed secretary to OPM, (3) 12  
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 Addresses Export Managers Club, (4) 16  
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 Philippine Islands, control of exports of defense materials extended to Islands, (22) 3  
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**FEDERAL COMMUNICATIONS COMMISSION** establishes listening posts for foreign broadcasts, (12) 13  
**FEDERAL POWER COMMISSION** estimates power needed for defense, (23) 9  
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**FISH AND WILDLIFE SERVICE** to cooperate with defense program, (12) 15  
**FLANDERS, RALPH E.**, appointed group administrator, Tools and Equipment Section, Priorities Division, (6) 2  
**FOLSOM, MARION**, resigns as head, Mining and Mineral Products Section, Production Division, (6) 16

**FOOD AND FOOD PRODUCTS SECTION.** (See Production Division)  
**FOOD PROCUREMENT ADVISORY COMMITTEE.** (See Purchases Division)  
**FORCE, RAYMOND C.**, appointed coordinator, Defense Contract Service, (9) 6  
**FORD, JAMES**, appointed consultant, Homes Registration Division, Housing Division, (3) 4  
**FORRESTAL, JAMES V.:**  
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 Appointed to Committee for Coordination of Inter-American Shipping, (6) 4  
**FRANCISCO, DON**, appointed director, Communications Division, Inter-American Cooperation, (16) 17  
**FULLER, SAMUEL RICHARD:**  
 Appointed chief, Materials Branch, Production Division, (14) 19  
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 Appointed director, Price Division, OPACS, (18) 18  
 Appointed to represent Agricultural Division on Interdepartmental Committee on Export Licenses, (7) 16  
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**GARDNER, HORACE**, appointed to Food and Food Products Section, Production Division, (2) 13  
**GASSER, LORENZO D.**, represents War Department on Board for Civilian Protection, OCD, (21) 4  
**GATES, THOMAS S.**, appointed coordinator, Defense Contract Service, (9) 6  
**GENERAL MOTORS STRIKE.** (See Defense Mediation Board)  
**GINSEBURG, DAVID.** (See OPACS)  
**GLANCY, A. R.:**  
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 Serves as consultant on all priorities relating to Agriculture, (11) 7  
**GROGGINS, PHILIP H.**, appointed consultant to Agricultural Division, (3) 13

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**HAMEROCK, ROBERT W.**, to survey British vocational training methods, (6) 12  
**HAMM, JOHN**, to serve as deputy administrator, OPACS, (15) 3  
**HARRIMAN W. AVERELL:**  
 Appointed chief, Industrial Materials Section, Production Division, (3) 3  
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**HARRISON, W. H.**, appointed chief, Ships, Construction, and Supplies Section, Production Division, (3) 3

**HAUCK, W. A.:**  
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**McNutt, Paul V.:**  
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 Addresses Fifth General Assembly of Council of State Governments, (4) 12  
 Addresses General Foods Corporation meeting, (11) 13  
 Addresses Pennsylvania Council's "Mobilization Conference," (19) 23  
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**Taft, Charles P.:**  
 Addresses National Conference of Social Work, (23) 17  
 Addresses American Association for Adult Education, (20) 21  
 Appointed assistant coordinator of Health and Welfare Activities, (7) 13  
 Testifies on shortage of community facilities before House Committee on Public Buildings and Grounds, (10) 10  
**HELIUM PLANT** at Amarillo, Tex., heavily guarded, (19) 3  
**HENDERSON, LEON.** (See OPACS)  
**HERGENROTHER, E. J.**, appointed to Conservation Section, Production Division, (21) 7  
**HETZEL, RALPH, Jr.**, appointed to Advisory Committee on Policy, Inter-American Cooperation, (14) 24  
**HIDES**, (22) 13, (24) 12  
**HILLMAN, SIDNEY.** (See Labor Division)  
**HOAN, DANIEL W.:**  
 Addresses Fifth General Assembly of Council of State Governments, (3) 11  
 Addresses Pittsburgh Defense Council, (23) 22  
 (See also (9) 8, (19) 23)  
**HOOKER, GEORGE F.**, appointed to Steel Unit, Production Division, (11) 11  
**HOLMQUIST, CARL G.**, appointed associate price executive, Nonferrous Metals and Products Section, OPACS, (20) 7  
**HOONING, GERRIT VANDER**, appointed consultant on food procurement and distribution, Purchases Division, (9) 15  
**HOPKINS, ERNEST M.:**  
 Named executive officer, Minerals and Metals Section, Priorities Division, (2) 4  
 Resigns post, (26) 9  
 (See also (6) 6, (14) 13)  
**HOPKINS, HARRY E.**, appointed to Production Planning Board, Production Division, (8) 14  
**HORTON, ROBERT W.:**  
 Addresses National Wholesale Grocers' Association, (24) 24  
 Addresses Washington Chapter, Society for the Advancement of Management, (21) 17  
**HOUSING DIVISION:**  
 Baltimore defense workers to get 1,000 additional housing units, (16) 18  
 Carmody, John M., Federal Works Administrator:  
 Addresses National Housing Inventory, (24) 20  
 (See also (7) 11, (10) 14, (11) 2, (16) 18)

**HOUSING DIVISION—Continued.**

Congress asked to enact three measures to alleviate defense housing shortage, (6) 10

Contract awards system devised, (1) 7

"Coordination of Local Management Programs," statement of policy issued, (19) 18

Coordinator's duties, (2) 1

District of Columbia housing shortages predicted unless Government activities are decentralized, (25) 19

Dwelling units to be constructed in eight defense areas, (3) 1

Executive order establishing Division, (2) 1

Hampton Builders, Fifteenth Annual Conference, addressed by Carl Henry Monsees, (7) 11

Housing provided for families of defense workers, (3) 5

Miami Valley Industry and Defense Exhibition to show housing progress exhibit, (21) 16

National Housing Act:

Banking and Currency Committee holds hearings, (8) 8

Private industry enabled to aid defense housing needs by amendments to Housing Act, (13) 13

National Housing Inventory, program and speakers, (24) 18

Navy housing units, 70,000 under construction, (6) 11

Negro workers receive defense housing, (25) 19

Ninety percent mortgage insurance extended to 30 more areas, (25) 18

Palmer, C. F.:  
Addresses District of Columbia Bankers Association, (23) 18

Addresses National Association of Housing Officials, (16) 19

Addresses National Housing Inventory, (24) 18

Announces minimum housing standards, (5) 10

Appointed coordinator of Defense Housing, (2) 1

Broadcasts in connection with National Association of Real Estate Boards Program, (16) 20

Broadcasts on housing expansion needs, (14) 21

Meets with consultants, (18) 19

Recommends construction of dwelling units in defense localities, (3) 1

Submits locality program report to the President, (5) 11

Testifies on housing needs before Senate Building and Grounds Committee, (13) 13

Philadelphia has largest locality program, (22) 20

President, The:  
Approves construction, (9) 7, (17) 10, (18) 18, (19) 18, (22) 21, (25) 19

Requests that Housing Authorization be doubled, (26) 18

Priorities Division to establish Defense Housing Critical List, (26) 9

Racial policy, (10) 14

Registration program:  
Homes Registration Division to be established, (3) 4

Regional offices to record homes for workers, (18) 18

WPA to assist in registration of vacancies, (19) 19

**HOUSING DIVISION—Continued.**

Status of Defense Housing Construction—Continued.

May 3, (19) 19

May 10, (20) 13

May 17, (21) 16

May 24, (22) 20

May 31, (23) 19

June 7, (24) 19

June 14, (25) 18

June 21, (26) 18

Temporary shelter program proposed, (11) 7

Workers in \$1,800 to \$3,000 income group to get defense housing, (15) 8

HUNKIN-CONKEY CONSTRUCTION CO. to construct Ravena Ammunition Storage Depot, (10) 7

HUNTER, HOWARD O., WPA Commissioner, (3) 6, (18) 24

HUTSON, J. B. (See Agriculture, U. S. Department of)

I

ICKES, HAROLD L. (See Petroleum Coordination)

INDIANA ORDNANCE DEPOT, Charlestown, Ind.:  
Expansion contract awarded, (1) 4

Rapid progress reported, (4) 11

Sewerage system installed in Charlestown, (14) 2

INDUSTRIAL MATERIALS DIVISION. (See Priorities Division)

INTER-AMERICAN COOPERATION:  
American art to tour Latin Republics, (15) 12

Argentine National Council organized to stimulate trade between American Republics, (7) 11

Bolivia organizes trade council, (14) 23

Buffalo Chamber of Commerce addressed by Berent Friele, (21) 18

Chile organizes trade council, (14) 23

Cnilean journalists to make coast-to-coast tour, (14) 22

Colombia organizes trade council, (20) 24

Ecuador organizes trade council, (21) 19

Inter-American Escadrille to conduct 3 months' air tour of American Republics, (9) 15

Inter-American Travel Committee formed to stimulate travel among peoples of Americas, (14) 23

Internships to be awarded medical graduates of American Republics, (23) 23

Latin-American naval officials invited to visit United States, (15) 12

Latin-American studies, enlargement urged by John W. Studebaker, (20) 24

Pan-American Day observed, (15) 12

Paraguay organizes trade council, (11) 11

Peru organizes trade council, (18) 23

Rockefeller, Nelson A.:  
Addresses Economic Club of Chicago, (19) 21

Addresses graduating class of Sixteenth Session of the National Police Academy, FBI, (14) 23

Addresses launching ceremonies of M. S. Rio De Janeiro, (15) 12

Announces program for use of motion pictures to promote Inter-American relations, (3) 7

Appointed to Committee for Coordination of Inter-American shipping, (6) 4

Outlines projects for increasing Inter-American trade, (6) 4

To act in advisory capacity to Priorities Board, (21) 12

Warns on representation of United States export firms by anti-American agents, (2) 16

Rovensky, Joseph C., discusses good-neighbor policy before New York chapter of American Institute of Banking, (16) 17

Rural Electrification Administration training program opened to eight Latin-American engineers, (26) 21

Schools of United States to cooperate with those of Latin America, (18) 23

**INTER-AMERICAN COOPERATION—Con.**

Teacher exchange between United States and American Republics considered limited at present time, (24) 23

United States purchases in Latin-America to absorb European slack—Carl B. Spaeth, (26) 20

Venezuela organizes trade council, (23) 8

Winslow, Mary:  
Appointed adviser for civic projects of Women's Organizations to promote Inter-American relations, (10) 7

Presides at meeting of women leaders, (14) 22

INTERDEPARTMENTAL CONFERENCE COMMITTEE ON FOOD RESOURCES created, (1) 6

INVENTORY CONTROL. (See Priorities Division)

IRON AND STEEL, Prices and Supplies, (1) 4, (1) 6, (2) 9, (5) 13, (6) 15, (7) 7, (8) 2, (9) 4, (9) 6, (10) 1, (11) 11, (11) 12, (14) 18, (15) 16, (16) 3, (16) 24, (18) 5, (19) 16, (21) 21, (22) 6, (22) 7, (22) 16, (23) 10, (23) 11, (24) 10, (25) 7, (25) 12, (26) 9

J

JACKSON, ROBERT H.:  
Addresses Fifth General Assembly of Council of State Governments, (4) 13

(See also (3) 7)

JENNINGS & LAWRENCE CO. to do architecture and engineering for Ravena Ammunition Storage Depot, (10) 7

JOHNSON, E. F.:  
Appointed chief, Ordnance and Tools Section, Production Division, (3) 3, (8) 15

Appointed to Plant Site Committee, (12) 1

JONES, JESSE, Federal Loan Administrator, (6) 6, (7) 2, (8) 8, (9) 6, (12) 9

K

KELLEY, RAYMOND J., named director, Sixth Corps Area, OCD, (25) 22

KELLOGG, C. W., resigns as consultant on Heat, Light, and Power, Production Division, (26) 4

KEMPTON, J. H., to make tropical plant survey, (21) 19

KIEL, OLIVER, appointed to Civilian Medical Board, (24) 22

KNUDSEN, WILLIAM S. (See OPM).

KRUG, J. A., to advise OPM on power for aluminum, (25) 7

LABOR IN AGRICULTURE, (1) 5, (4) 8, (9) 12, (12) 2, (22) 22

LABOR DIVISION:  
Alexander, Will W.:  
Addresses National Conference on Social Work, (22) 10

Named special consultant to Sidney Hillman on employment and training problems of minority groups, (15) 4

(See also (2) 5)

Bethlehem Steel strike settled at Lackawanna, (9) 11

Bulletins published:  
"Defense Employers—How You Can Get Workers for Your Plants," (11) 4

"Farming Out Bulletin No. 4," (6) 12

"Farming Out Methods," (15) 5

"Labor Speeds Defense," (9) 10

"Problems and Organization of Farming Out," (5) 9

Curtiss-Wright and other manufacturers to employ skilled Negroes, (19) 10, (26) 11

District representatives appointed, (1) 8

Division established in OPM, (12) 3

Elderly workers gaining employment through defense program, (11) 15

Hillman, Sidney:  
Addresses American Society of Newspaper Editors, (16) 9

Addresses Atlantic Coast Zone Conference of the Shipbuilding Stabilization Committee, (18) 11

Addresses Fifth General Assembly of the Council of State Governments, (4) 10

Addresses First Annual Conference on the Negro in Business, (17) 5

Addresses National Industrial Conference Board, (21) 10

**LABOR DIVISION—Continued.**

Hillman, Sidney—Continued.  
 Addresses Textile Workers Union, (17) 4  
 Broadcasts joint appeal with William Knudsen for production speed, (23) 12  
 Calls for cooperation of industry, labor, and government, (20) 12  
 Condemns racial discrimination by holders of defense contracts, (15) 6  
 Outlines work of Division to Special Senate Committee for the Investigation of the National Defense Program, (17) 5  
 Plans field trips to study supply of trained manpower, (18) 11, (23) 7  
 Press conference—Four-shift work week, (19) 8  
 Press conference, Mar. 13, (11) 1  
 Press conference, June 27, (26) 10  
 Reports to House Military Affairs Committee, (15) 7  
 Reports less than 2 hours per worker lost in 1940 strikes, (6) 1  
 Reports to Selective Service on skilled labor needs, (20) 12  
 Testifies before House Judiciary Committee on Defense Employment and Strikes, (8) 1  
 Urges workers to register with U. S. Employment Service, (11) 3  
 Industrial engineers confer on "farming out" defense contracts, (5) 8  
 Industry consultants appointed, (18) 11  
 Labor Policy Advisory Committee:  
   Activities praised by Sidney Hillman, (6) 13  
   Condemns three strikes, (23) 7  
   Statement of labor policy, (1) 9  
 Labor resources survey, (1) 8  
 Prime contractors listed for local defense production groups, (4) 11  
 Reeves, Floyd W.:  
   Addresses National University Extension Association on labor needs of defense program, (19) 9  
   Broadcasts on "Youth and Jobs in Defense," (15) 4  
   Reports on Labor Training Program, (2) 5  
 Shipbuilding Stabilization Committee:  
   Atlantic Coast Conference endorses proposed standards, (24) 5, (25) 5  
   Committee established, (1) 9  
   Committee personnel, (4) 11  
   Great Lakes Conference begins, (17) 5  
   Pacific Coast Conference endorses proposed standards, (4) 11, (15) 5  
 Shipyards, employment of 253,400 additional workers anticipated, (5) 5  
 Skills essential to defense program listed, (24) 5  
 Stabilization agreements planned for aircraft, construction industries, (26) 10  
 Wage minimums established for Government uniform and clothing workers, (5) 8  
 Workers, 1,300,000 more needed by end of 1941, (23) 5  
**LAGUARDIA, FIORELLO H.** (See OCD)  
**LAND, EMORY S.:**  
   Appointed chief, Ships Section, Production Division, (3) 3  
   Appointed to Committee for Coordination of Inter-American Shipping, (6) 4  
**LANDIS, JAMES M.,** named director, First Corps Area, OCD, (25) 22  
**LEHMAN, HERBERT H.,** addresses Fifth General Assembly of Council of State Governments, (3) 10  
**LELAND, SIMON E.,** addresses Fifth General Assembly of Council of State Governments, (4) 12  
**LEVIS, WILLIAM E.,** appointed to Production Planning Board, Production Division, (8) 14  
**LEWIS, BEN.** (See Priorities Division)  
**LEWIS, J. C.,** appointed labor consultant, Labor Division, (14) 7

**LIVINGSTON, GEORGE:**

Addresses Cannery Convention and Allied Trades, (4) 8  
 Heads Government Requirements Section, Purchases Division, (23) 16  
 (See also (10) 16, (14) 19)  
**LOAD LIMITS** on coastwise nonpassenger ships relaxed, (25) 16  
**LOCKWOOD, JOHN EDWARD,** appointed general counsel, Inter-American Cooperation, (11) 2  
**LUBIN, ISADOR:**  
   Appointed labor consultant to Priorities Division, (2) 4  
 (See also (1) 8, (4) 10, (11) 2, (13) 8)  
**LUMBER, (9) 5, (16) 2, (17) 9, (17) 15**

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**McCLINTOCK, JOHN C.,** appointed executive assistant to Nelson A. Rockefeller (15) 12  
**McCONNELL, ROBERT E.** (See Production Division, Conservation Unit)  
**McCORMICK, EDWARD T.,** heads fuels section, Civilian Supply Allocation Division, OPACS, (25) 12  
**McCOWN, ALBERT** appointed to Civilian Defense Medical Board, (24) 22  
**McDONALD, H. STEWART,** addresses National Housing Inventory, (24) 19  
**MACDOUGALD CONSTRUCTION CO.** to build flying school, (10) 4  
**MACKEACHIE, DOUGLAS C.:**  
   Appointed deputy director, Purchases Division, (9) 5  
 (See also (2) 10, (10) 6)  
**McKELVEY, THELMA,** addresses Indiana Youth Administration on "Women in Defense Work," (17) 4  
**McNUTT, PAUL V.** (See Health and Welfare)  
**McREYNOLDS, E. Cff,** appointed consultant, Agricultural Division, (2) 12  
**MACHINE TOOLS, Prices and Supplies,** (4) 1, (4) 4, (5) 1, (7) 1, (7) 6, (9) 2, (9) 3, (12) 1, (12) 4, (13) 7, (15) 17, (17) 13, (18) 3, (19) 14, (26) 5  
**MAGNESIUM, Prices and Supplies,** (2) 10, (3) 9, (10) 1, (13) 7, (16) 6, (24) 10  
**MANUFACTURING FOR DEFENSE,** estimate, (17) 14  
**MARITIME COMMISSION:**  
   Cargo vessels:  
     Construction bids invited, (1) 11  
     Contracts awarded for 200 vessels, (12) 15, (16) 21  
     Three vessels scheduled for delivery, (12) 15  
     Twenty-eight vessels to be acquired, (23) 14  
   Division of Emergency Shipping created, (9) 16  
   Oil not being carried to Germany, Italy, or Japan by American tankers, (24) 16  
   Oil tankers, chartering rates decreasing, (4) 2  
   President's letter on ocean shipping needs, (7) 9  
   Rates reduced to encourage travel to Latin-American countries, (3) 7  
   Ship contracts transferred, (18) 9  
   Southern Pacific Co. directed to deliver fleet for defense, (24) 23  
**MARSH, E. P.,** named temporary executive secretary, Defense Mediation Board, (13) 3  
**MARTIN, JOHN A.:**  
   Appointed chief, Perishable Foods Section, Purchases Division, (10) 7  
 (See also (13) 8, (21) 12)  
**MARTIN, LAURENCE J.,** to handle new metal inventory regulations, Priorities Division, (19) 6  
**MATERIAL COORDINATING COMMITTEE—UNITED STATES AND CANADA:**  
   Committee formed to pool information on raw materials, (20) 6  
   Restrictions of raw materials discussed, (24) 11

**MAXWELL, RUSSELL L.** (See Export Control)  
**MAURY, JESSE L.,** heads Nonferrous Metal Section, OPACS, (25) 12  
**MAY, STACY.** (See OPM)  
**MEANY, GEORGE W.,** appointed to Production Planning Board, Production Division, (8) 14  
**MEHORNAY, ROBERT L.** (See Defense Contract Service, Production Division)  
**MEIGS, MERRILL C.** (See Aircraft Section, Production Division)  
**METALS RESERVE COMPANY** purchases 100,000 more tons of Latin-American copper, (6) 6  
**MOFFETT, GEORGE M.,** appointed chief, Mining and Mineral Products Section, Production Division, (3) 3, (6) 16  
**MORROW, WALTER,** secretary, Retailers' Advisory Committee, (4) 9, (5) 6

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**NATIONAL ACADEMY OF SCIENCES:**  
   Aluminum goods, substitutes suggested, (15) 20  
   Nickel conservation urged, (13) 5  
**NATIONAL DEFENSE ADVISORY COMMISSION:**  
   Coal storage urged, (19) 20  
   Decentralization of plant sites recommended, (13) 12  
   "Duties and Functions" pamphlet published, (1) 9  
**NATIONAL NUTRITION CONFERENCE FOR DEFENSE.** (See Health and Welfare)  
**NATIONAL RESEARCH COUNCIL** stresses value of "enriched" bread and flour, (6) 9  
**NATIONAL RESOURCES PLANNING BOARD:**  
   "Regional Development Plans" report issued, (15) 24  
   Six-year public works program recommended, (12) 9  
**NATIONAL YOUTH ADMINISTRATION:**  
   Aviation defense program aided, (5) 7  
   Vocational training. (See Summary of the Week, Jan. 7)  
   Workshops and resident centers constructed for Defense-Job-Training, (15) 19  
**NAVY DEPARTMENT:**  
   Flight training courses, 1,000 men may enter courses each month, (7) 15  
   Funds made available, (21) 2  
   Inspectors of materials needed, (20) 9  
   Principal purchasing agencies listed, (4) 14  
   Procurement authorized by open purchases or contract, (15) 23  
   Provision requirements estimated, (26) 16  
   Schools for petty officers opened, (22) 19  
   Ships ordered since January 1940, (26) 16  
**NEEL, SAMUEL E.,** addresses Virginia State Junior Chamber of Commerce, (17) 12  
**NEELY, FRANK H.,** appointed coordinator, Defense Contract Service, (9) 6  
**NEGROES AND THE DEFENSE PROGRAM.** (7) 11, (15) 5, (15) 6, (17) 5, (19) 10, (25) 19, (25) 22, (26) 11  
**NEHEMKIS, PETER R., Jr.** (See Production Division, Defense Contract Service)  
**NELSON, DONALD M.** (See Purchases Division)  
**NELSON, WILBUR A.,** appointed staff expert to Ferrous Alloys and Minerals Branch, Priorities Division, (22) 8  
**NEWS FOR RETAILERS:**  
   Apr. 8: Cotton textiles, coffee, shoes, foods, (14) 15  
   Apr. 15: Foods, woolen textiles, aluminum, (15) 15  
   Apr. 22: Beef, canned vegetables, tomatoes, snap beans, sweet corn, green peas, coffee, (16) 15  
   Apr. 29: Clothing, prices, shoes, wool, lumber, conservation, (17) 15  
   May 6: Canned tomatoes, soap, cotton textiles, (18) 15  
   May 13: "Business as usual;" Defense conference on consumer goods; simplified design, (19) 15  
   May 20: Wool supplies, sugar, paints, (20) 15



## NEWS FOR RETAILERS—Continued.

May 27: Negotiated bids, commercial truck crops, inventories, walnut supplies, aluminum, (21) 15  
 June 3: Shoes, commercial truck crops, coffee, work clothing, (22) 15  
 June 10: Petroleum, aluminum scrap collection, substitutes, (23) 15  
 June 17: Styles, models and colors to be reduced, priorities critical list, transportation, (24) 15  
 June 24: Curtailment of civilian goods, domestic wool and defense purchases, commercial truck crops, "Lend-lease" textile purchases begun, (25) 15  
 July 1: Cooperation of industry and defense agencies, power, furniture, used aluminum collection campaign, (26) 15  
**NICHOLS, J. C.**, appointed chief, Supplies Section, Production Division, (3) 3  
**NICKEL, Prices and Supplies**, (8) 2, (9) 6, (10) 1, (13) 5, (15) 3, (15) 10, (18) 5, (20) 10, (25) 24, (26) 8  
**NICOL, ERIC**, appointed administrative assistant to Sidney Hillman, (7) 3  
**NILES, DAVID K.**, appointed special consultant, Labor Division, (24) 5  
**NORTH AMERICAN AVIATION CO.** (See Defense Mediation Board)  
**NORTH CAROLINA**, battleship to be placed in full commission before schedule, (3) 9

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**O'BRIAN, JOHN LORD**, appointed general counsel, OPM, (6) 16  
**O'CONOR, HERBERT**, addresses Fifth General Assembly of Council of State Governments, (4) 13  
**OFFICE FOR AGRICULTURAL DEFENSE RELATIONS.** (See Agriculture Department)  
**OFFICE OF CIVILIAN DEFENSE:**  
 Aluminum campaign:  
 Nation-wide collection to be made, (25) 2  
 Three-quarters of metal collected will be usable for defense—Robert E. McConnell, (26) 22  
 Executive order establishing Division, (21) 3  
**LaGuardia, Fiorello H.:**  
 Broadcasts on purposes of civilian defense program, (24) 22, (25) 22  
 Calls for country-wide Pledge of Allegiance on July Fourth, (26) 22  
 Endorses Technical Corps for England, (25) 22  
 Press conference on division organization, (21) 4  
 Speaks in Philadelphia, May 28, (21) 5  
 Tours to see Army officers, governors, mayors, and organization heads, (22) 24  
 Welcomes all national groups in defense effort, but not as "hyphenated" Americans, (23) 24  
 Medical Board created for civilian defense, (24) 22  
 Portland, Oreg., outlines civilian defense measures (25) 22  
**OFFICE OF EDUCATION:**  
 Chart-guide to defense training opportunities issued, (15) 21, (21) 11  
 Information exchange on defense matters established, (6) 16  
 Preemployment defense training courses, (6) 16  
**Studebaker, John W.:**  
 Reports on Inter-American teacher exchange, (24) 23  
 Urges prompt enlargement of Latin-American studies, (20) 24  
 (See also (7) 13, (12) 3)  
 Vocational training program, (7) 13  
**OFFICE FOR EMERGENCY MANAGEMENT:**  
 Broadcasts on defense progress, (20) 2, (26) 2  
 "Functions and Administration," pamphlet published, (19) 24  
 Posters designed by prominent artists, (25) 24

## OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY:

**Aluminum:**  
 Scrap schedule altered to keep price down on impure material, (18) 17  
 Some scrap freed from price regulation, (23) 14  
 Ammonium sulfate, continuance of present price level asked, (22) 14  
**Automobiles:**  
 Chrysler Corporation's action forcing price ceiling, (26) 6  
 Manufacturers asked to withdraw price increase, (24) 2  
**Bituminous coal:**  
 Price schedule modified, (16) 3  
 Price schedule revoked, (18) 16  
 Brass-ingot price reductions suggested, (17) 18  
 Bread, bakeries requested not to raise prices without consulting OPACS, (25) 12  
 Cadmium prices considered too high, (15) 17  
 Carbon black producers and distributors called for conference, (26) 7  
 Car-wheel builders called for conference, (26) 7  
**Cocoa:**  
 Margin boost considered, (21) 9  
 Margin doubled for outsiders, (23) 14  
**Coffee:**  
 Margin raised for outsiders, (21) 8  
 Trade representatives confer with OPACS, (24) 14  
**Combed cotton yarn:**  
 Price ceiling to be established, (18) 17, (20) 7  
 Price ceiling imposed is 20 percent below recent quotations, (21) 8  
 Price schedule No. 7 amended, (25) 18  
 Commodity Exchanges called to conferences, (20) 7  
**Consumer Division:**  
 Bituminous coal consumers urged to purchase coal at low summer prices, (24) 16  
**Elliott, Harriet:**  
 Addresses Defense Conference on Consumer Goods, (18) 14  
 Addresses United States Chamber of Commerce, (18) 14  
 Declares that textile prices should not rise, (15) 3  
 Warns against selling on "price prevailing" basis, (16) 16  
 Previous price and consumer orders to continue in effect, (16) 3  
**Rents:**  
 Newark establishes Fair Rent Committee, (19) 18  
 Newark rent increases considered unwarranted, (17) 19  
 "Organization of Fair Rent Committees" bulletin, (20) 14  
 Wilmington, N. C., Fair Rent Committee initiates program to prevent rent increases, (20) 14  
 Unions forming, Consumer Interests Committees, (17) 19  
 United States Wholesale Grocers Association urged to keep prices down, (19) 16  
**Copper:**  
 Commodity exchange agrees to limit price on futures, (19) 2  
 Producers urged to set prices at 12 cents, (17) 18  
 Cork, civilian allocation program issued, (23) 11  
 Cotton cloth price ceiling established, (26) 24  
 Cotton oil ceiling planned, (26) 6  
 Executive order establishing Division, (15) 14  
 Farm implement manufacturers asked to adhere to present prices, (17) 18  
 Freight car building and repair put first in Civilian Allocation Program, (24) 14  
 Furniture makers asked to confer with OPACS before raising prices, (26) 6

## OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY—Continued.

**Ginsburg, David:**  
 Addresses Practicing Law Institute of New York on plant expansions, (13) 15, (14) 8  
 Discusses legal precedents for OPACS activities, (23) 13  
 Serves as OPACS general counsel, (15) 3  
**Henderson, Leon:**  
 Broadcasts on production progress, (17) 24  
 Condemns price ceiling evasions, (26) 3  
 Condemns speculation in iridium, (3) 2  
 Press conference on division functions, (15) 3  
 States position on proposed milk price increase in Washington, D. C., (26) 7  
 Suggests price ceilings for consumer goods, (19) 15  
 Supports farm income improvement policies, (18) 16  
 Testifies on tax plan before House Ways and Means Committee, (19) 13  
 Urges machine tool manufacturers to stop price rises, (19) 14  
 Hides to receive price ceiling, (22) 13  
**Iron and steel:**  
 Allocation policy, (23) 11  
 Pig iron ceiling established, (26) 8  
 Price schedule No. 4 amended, (26) 8  
 Scrap schedule, revisions and amendments, (15) 16, (19) 16, (25) 12  
 Kraft paper producers state policy against price rise, (20) 7  
**Lumber:**  
 Freight rates, boost opposed by OPACS, (18) 21  
 West Coast lumber to receive price ceiling, (26) 8  
**Machine tools:**  
 Price Schedule No. 1 amended, (15) 17  
 Price Schedule No. 1 supplemented, (19) 14  
**Nickel:**  
 Price Schedule No. 8 fixes ceiling for scrap and secondary materials, (22) 14, (26) 8  
 Scrap and alloy ceiling prices to be set, (15) 3  
**Oil:**  
 California crude-oil price action deferred, (26) 13  
 California producers and purchasers called for conference, (22) 2  
 Company representatives confer on prices, (21) 8  
 Price ceiling action delayed to July 1, (24) 14  
 Standard Oil Co. of Ohio asked to postpone price increase, (24) 14  
 Petroleum refiners and marketers asked not to increase prices without consulting OPACS, (25) 17  
**Paper board:**  
 Ceiling below current level considered, (23) 14  
 Industry agrees to stabilize prices, (24) 14  
 Pepper margin boost agreed to, (21) 8  
 Plywood makers asked to reduce prices, (23) 2  
 Priorities Division cooperates with OPACS, (19) 6  
 Pulp and paper manufacturers aim to maintain price stability, (16) 16  
 Refrigerator makers asked to confer with OPACS before raising prices, (26) 6  
**Rent Section:**  
**Borders, Karl:**  
 Addresses National Housing Inventory, (24) 20  
 Appointed to Rent Section, (23) 14  
**Tufts, Joseph P.:**  
 Addresses National Association of Housing Officials, (16) 14  
 Appointed chief, Housing Section, Consumer Division, (12) 10  
 To act as rent consultant, OPACS, (23) 14

**OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY—Continued.****Rubber:**

- Price ceiling to be established, (25) 3
- Margin boost agreed to, (21) 9
- Tires and tubes, price schedule proposed, (26) 7

**Steel:**

- High-speed steel price schedule considered, (26) 8
- Prices frozen at early 1941 levels, (16) 3 (See also Iron and Steel, above)
- Transportation Unit created, (22) 3
- Waste-paper men agree to maintain price structure, (25) 13
- Woolen goods to be labeled for kind and quantity of wool, (17) 19
- Zinc, exceptions to price schedule, (15) 17

**OFFICE OF PRODUCTION MANAGEMENT:****Aluminum:**

- Collection campaign supported by scrap-metal trade associations, (26) 6
- Plant locations recommended, (26) 4
- Bonuses suggested for employees who give up vacations, (18) 2
- Coal purchase now urged, (25) 17
- Committee on Fair Employment Practice established, (26) 11
- Executive order establishing Division, (2) 3
- Industrial Supply Section suggests steps to minimize shortage of measuring instruments, (14) 9
- Industry Advisory Committees and commodity sections to centralize defense problems, (26) 3
- "Jobs In Defense" nation-wide broadcasts initiated, (11) 2

**Knudsen, William S.:**

- Addresses Boston Chamber of Commerce, (16) 17
- Addresses Fifth General Assembly of Council of State Governments, (4) 12
- Addresses Military Order, Veterans of Foreign Wars, (14) 6
- Addresses National Housing Inventory, (24) 19
- Assures the President on machine tools for Army and Navy contracts, (26) 5
- Broadcasts joint appeal with Sidney Hillman for production strength, (23) 12
- Confers with steel industry representatives, (5) 13
- Discusses contract awards, plant expansions, employment gains, (11) 11
- "I'm an American" Day address, (20) 3
- Press conferences:
  - Jan. 22, (4) 4
  - Feb. 19, (8) 3
  - Mar. 19, (12) 9
  - Apr. 30, (18) 8
  - May 21, (21) 6
  - June 18, (25) 13
  - June 24, (26) 5
- Testifies before House Military Affairs Committee, (15) 2
- Urges that every machine tool be put to work, (2) 1
- Urges recruiting of workers through State Employment Offices, (9) 1
- Legal staff appointments, (9) 13
- Letter to manufacturers, (2) 4
- Magnesium capacity of 400,000,000 pounds a year urged, (24) 10

**May, Stacy:**

- Addresses National Retail Dry Goods Association, (25) 14
- Considers defense schedule inadequate to match Axis effort, (22) 4

**Personnel, OPM, (2) 2****Petroleum Unit:**

- Aviation gasoline, increase in production capacity urged, (23) 10
- Wilson, Robert E.:
  - Addresses American Institute of Chemical Engineers, (21) 14
  - Addresses Society of Automotive Engineers, (23) 8
  - Summarizes situation before congressional Cole Committee, (13) 4

**OFFICE OF PRODUCTION MANAGEMENT—Continued.****Plane production:**

- February, (11) 13
- March, (14) 9
- April, (19) 5
- May, (24) 10
- Plant Site Committee established, (12) 1
- Power, civilian use to be curtailed to avoid shortage, (23) 9
- St. Lawrence Waterway project formally approved by OPM, (24) 23
- Santee-Cooper Hydroelectric Power development:
  - Considered necessary to defense program, (6) 2
  - Fifty-hour work week established, (7) 3
- Statement of Division's tasks, (2) 2
- Training-in-Plant conference, (12) 2
- Transfer to new quarters, (5) 2

**OIL, Prices and Supplies, (11) 2, (13) 4, (15) 18, (21) 8, (21) 14, (22) 2, (22) 3, (23) 8, (23) 9, (23) 15, (24) 14, (24) 16, (25) 16, (25) 17, (25) 20, (26) 13****O'LEARY, ARTHUR J., appointed to Steel Unit, Production Division, (11) 11****O'LEARY, PAUL, appointed price executive for Textiles and Apparel section, OPACS, (20) 7****OLIVER, ELI:**

- Appointed to Plant Site Committee, (12) 1
- Appointed special assistant on labor problems, Labor Division, (11) 4

**O'NEILL, JAMES L., appointed Deputy Director of Priorities in charge of operations, (22) 8****OREGON & CALIFORNIA RAILROAD to provide Douglas firs for defense orders, (14) 24****OSBORNE, FREDERIC, heads joint Army and Navy Committee on Welfare and Recreation, (7) 13****OVERLOCK, JOSEPH L., to work with assistant director of Priorities in charge of operations, (18) 6****P****PALMER, C. F. (See Housing Division)****PARDEE, FRANK, to study Brazil's minerals, (7) 14****PATTERSON, ROBERT P., Under Secretary of War, addresses Washington Rotary Club, (14) 12****PERKINS, FRANCES, (4) 1, (5) 5, (7) 12****PETROLEUM COORDINATION:****Ickes, Harold L.:**

- Designated Petroleum Coordinator for National Defense, (22) 3
- Press conferences:
  - June 5, (23) 9
  - June 12, (24) 16
  - June 19, (25) 16

**Industry representatives confer on pipe lines, (26) 13****Oil Burner Institute pledges campaign to save heating oil, (23) 8****Oil interests on Gulf to fill part of Lend-Lease sales, (25) 17****Reporting system extended, (23) 8****Tanker fleet asked to give "emergency" performance, (26) 13****Tanker routes switched to raise East's oil supply, (25) 17****PHOENIX IRON CO. requests relief from steel price order, (17) 19, (18) 21****PICTURE OFFICE, INFORMATION DIVISION:**

- Photos provided for publication, (8) 10
- Revised list of available photographs issued, (18) 24

**PLANES, (1) 3, (7) 2, (8) 3, (11) 6, (11) 13, (12) 7, (18) 6, (19) 5, (22) 8, (24) 10, (25) 24****PLANT EXPANSIONS. (See Contracts Awarded)****PLASTICS, (7) 7****POMEROY, HAROLD, appointed director, Homes Registration Section, Housing Division, (3) 4****PRATT, JOHN L., appointed to Production Planning Board, Production Division, (8) 14****PREFERENCE RATINGS, method of assignment, (1) 2****PRESIDENT, THE:**

- Burns, Maj. Gen. James H., designated executive officer, Division of Defense Aid Reports, (19) 3

**Congress asked to pass defense highway appropriations, (23) 3****Executive Order:**

- Authorizing general licenses for Export Control, (3) 3
- Empowering parole of Selective Service violators, (4) 3
- Empowering seizure of North American Airplane plant, (23) 3
- Establishing Committee on Fair Employment Practice in OPM, (26) 11
- Establishing Defense Housing Division, (2) 1
- Establishing Division of Defense Aid Reports, (19) 3
- Establishing National Defense Mediation Board, (12) 14
- Establishing Office of Civilian Defense, (21) 3
- Establishing Office of Price Administration and Civilian Supply, (15) 14
- Establishing Office of Production Management, (2) 3
- Suspending 8-hour day for Army and Navy Base construction workers, (1) 1

**Exports to Great Britain and Northern Ireland authorized without requirement of individual licenses, (9) 1****Foodstuffs to democracies, aid announced, (12) 13****Housing program approved as recommended by C. F. Palmer, (6) 11, (26) 18****Ickes, Harold L., designated Petroleum Coordinator for National Defense, (22) 3****Knudsen queried on machine tool shortage, (26) 5****Lend-lease funds, allocation reported, (24) 3****Machine-tool industry, rapid expansion urged, (18) 3****Maritime Commission asked for assurance on ocean shipping needs, (7) 9****Steel and copper facilities, estimates publicized, (9) 6****United Service Organizations, support urged for fund drive, (23) 19****PRICE STABILIZATION DIVISION:****Absorbed by Office of Price Administration and Civilian Supply, (15) 3****Aluminum:****Industry representatives to work on scrap price and supply problems, (8) 5****Price schedule issued for scrap and secondary metal, (12) 5****Scrap sold by airplane manufacturers receives price ceiling, (10) 2****Bituminous coal prices fixed by schedule, (14) 2****Cattle hides, increase in price not warranted, (12) 4****Copper and brass markets studied, (14) 18****Iridium, price jump not justified, (3) 2****Iron and steel:**

- Price developments, (1) 6
- Price schedule established, (10) 1, (11) 12, (14) 18

**Reduction of future sales urged, (2) 9****Lead industry may receive price ceiling, (14) 18****Machine tools:**

- Price schedule issued, (7) 1
- Used-tool dealers, procedure changed, (12) 4

**Warning on price schedule issued by Henderson, (9) 2****Quicksilver prices considered too high, (13) 15****Wool manufacturers assure stable prices, (2) 9**

## PRICE STABILIZATION DIVISION—Con.

Zinc:  
Industry committee submits recommendations on unstable price situation, (5) 13  
Primary and secondary market conditions being improved, (11) 12  
Scrap and secondary industry to report on means of meeting consumer requirements, (4) 2  
Scrap and secondary materials receive price ceiling, (14) 3  
PRICE, WILLIAM, appointed special adviser to Purchases Division, (7) 2

## PRICES:

Industrial Materials:  
Jan. 1 to Apr. 11. (See Price Stabilization Division)  
Apr. 11 to July 1. (See OPACS)  
Consumer Goods:  
Jan. 1 to Apr. 11. (See Consumer Division)  
Apr. 11 to July 1. (See OPACS)

## PRIORITIES DIVISION:

Aluminum:  
Allocations governed by over-all formula for both defense and nondefense purposes, (12) 5  
Aluminum and Magnesium Priority Committee considers problem of hoarding of scrap, (6) 6  
Defense needs expected to take 95 to 100 percent of available metal in June, (22) 8  
Formal priorities established, (9) 3  
Low-grade metal obtainable under modified order, (16) 4  
Scrap brought under full priority control, (24) 7  
Scrap disposition arranged, (10) 4  
Secondary metal smelters granted preference rating, (26) 9  
Suppliers to classify purchasers' orders, (16) 4  
Appointments made to staff, (2) 4  
Bill to extend priorities reported, (18) 4  
Borax, boric acid put under full priority control, (23) 11  
Bulletin on workings of priorities system, (7) 8  
Commercial Aircraft Priorities Committee personnel, (3) 3  
Copper:  
General Preference Order amended, (24) 6  
Industry-wide control established, (22) 7  
Cork:  
Industry-wide control established, (23) 11  
Manufacturers ordered to cut processing operations in half, (22) 7  
Crane builders granted special rating, (11) 16, (22) 7  
Critical List:  
Revised as of May 1, (19) 6, (19) 17  
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Defense Housing Critical List to speed housing program, (26) 9  
Defense Supplies Rating Plan established for manufacturers of "off-the-shelf" supplies, (20) 10  
Diamond dies allocated to defense industries to be given preferential treatment, (7) 9  
Formal operating plan adopted, (12) 16  
Freight car builders given blanket preference for material and equipment, (25) 6  
General Metals Order No. 1, Interpretations and amendments, (21) 12, (25) 7  
Hides:  
Price ceiling set, (24) 12  
Skins and leather priority committee appointed, (24) 12  
Industrial Materials Division estimates mineral supplies, (1) 4  
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Iron and Steel Priorities Committee established, (2) 4

## PRIORITIES DIVISION—Continued.

Lewis, Ben:  
Addresses District of Columbia Voteless League of Women Voters, (9) 14  
Appointed consumer consultant to Priorities Division, (4) 9  
Machine tools:  
Certificates cannot be granted to schools, (7) 6  
Control strengthened, (13) 7  
Formal priorities established, (9) 3  
Magnesium:  
Great Britain to acquire metal from United States, (13) 7  
Preferential status set for 90-day period, (7) 6  
Priority principle applied, (10) 2  
Neoprene:  
Mandatory control established, (10) 2, (24) 8  
Million pounds allocated to 250 industrial users, (14) 13  
Nickel and nickel-bearing steel:  
Buyers required to report inventory holdings, (18) 5  
Industry-wide control established, (10) 2, (20) 10  
Primary nickel ration in stainless steel limited, (25) 24  
Priorities principle applied, (8) 2, (15) 10  
Office of Price Administration and Civilian Supply cooperates with Priorities Division, (19) 6  
Organizational changes in division, (14) 13, (21) 12  
Personnel, (14) 13, (5) 16  
Planes:  
Civil Aeronautics orders and contracts get new procedure for preference ratings, (17) 14  
Civilian Pilot Training Plan, aluminum released for construction, (22) 8  
Commercial airlines' orders to be filled when defense orders will not be hampered, (10) 4  
Military planes, construction speeded by special preference ratings, (18) 6  
Polyvinyl chloride placed under mandatory control, (24) 8  
"Priorities and Defense" handbook published, (17) 14  
Purchasing agents asked to keep down inventories of scarce materials, (21) 12  
Refrigerator ice trays, sales restricted, (10) 3  
Regional offices to help businessmen with priorities problems, (25) 6  
Rubber:  
Consumption-cuts for July diminished, (23) 24  
Priority Committee appointed, (8) 2  
Synthetic rubber of all types placed under mandatory control, (24) 8  
Use to be cut to 80 percent of March 1940-41 average, (25) 3  
Shipbuilders granted blanket preference rating, (24) 6  
Steel:  
General preference order issued, (22) 7  
Structural shapes for defense purposes to be rushed by manufacturers, (7) 7  
Stettinius, E. R., Jr.:  
Heads certain commodity sections, Defense Industry Advisory Committees, (26) 3  
Joins Material Coordinating Committee—United States and Canada, (20) 6  
Press conference, May 1, (18) 5  
Requests machine tool manufacturers to restrict deliveries, (5) 1  
Testifies on Vinson Bill before Senate Military Affairs Committee, (20) 11  
Urges manufacturers to give attention to plastics, (7) 7  
Textile Priority Committee personnel, (22) 8  
Tungsten:  
Ferro-tungsten control extended to Aug. 31, (25) 24

## PRIORITIES DIVISION—Continued.

Tungsten—Continued.  
General Preference Order issued, (24) 6  
Minerals and Metals Group investigates situation, (9) 4  
Priorities principle applied, (13) 7  
Zinc:  
Full priority control established, (24) 7  
Industry forms pool, (10) 4, (16) 4, (22) 3, (25) 7  
Minerals and Metals Group surveys supply situation, (17) 14  
Recommendations for production and industrial utilization, (6) 3  
PRODUCTION DIVISION:  
Aircraft Section:  
Meigs, Merrill C.:  
Appointed chief, Aircraft Section, (3) 3  
Considers American fighting planes equal to those of Europe (11) 6  
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Aluminum scrap collection tested in two communities, (22) 16  
Automobiles:  
Buyers asked to cooperate in saving defense materials, (8) 8  
Industry agrees to 20 percent reduction in production, (16) 6  
Manufacturers to form Defense Industry Advisory Committee, (26) 4  
Manufacturing allotments made, (18) 7  
Production may be cut further by material shortage—Knudsen, (25) 13  
Batt, William L.:  
Appointed deputy director, Production Division, (3) 3  
Calls for change in attitude to speed production, (20) 5  
Joins Material Coordinating Committee—United States and Canada, (20) 6  
Outlines program for acquisition of raw materials, (1) 4  
Requests conservation of tin, (19) 5  
Testifies before subcommittee of House Labor Committee on H. J. Res. 76 and H. J. Res. 59, (26) 20  
Biggers, John D.:  
Addresses Boston Chamber of Commerce, (16) 7  
Addresses Canadian Manufacturers Association, (24) 11  
Addresses United States Chamber of Commerce, (18) 7  
Heads certain commodity sections, Defense Industry Advisory Committees, (26) 3  
Testifies before House Military Affairs Committee on progress of OPM, (15) 21  
Coke:  
Beehive industry revived for defense orders, (14) 9  
Supply adequate for industrial needs, (3) 13  
Conservation Unit:  
Cooperative plan to conserve vital materials, (14) 9  
McConnell, Robert E.:  
Calls conference of manufacturers, (16) 6  
Estimates effectiveness of OCD aluminum campaign, (26) 22  
Heads Conservation Unit, (12) 6  
(See also (14) 7, (14) 9, (17) 11)  
Merchandisers plan substitutes for certain products, (16) 6  
Steel can be saved in oil production, (22) 16  
Unit serves as clearing house for manufacturers and merchandisers, (17) 11  
Waste material dealers urged to organize committees for defense, (14) 7  
Cork manufacturers to cooperate in conservation, (17) 3  
Cotton duck makers explore ways to increase production, (19) 5  
Defense Contract Service:  
Bank defense loans, 26 percent go to companies with assets of less than \$100,000, (24) 8



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Defense Contract Service—Continued.  
 Banks willing to loan money to defense contractors—J. G. McCoy, (25) 9  
 District personnel appointed, (9) 6, (13) 6  
 Field managers added to staff, (18) 7  
 Group Resources Unit to be established, (17) 3  
 Manufacturers urged to enlist all available facilities in defense production, (12) 6  
 Mehornay, Robert L.:  
 Addresses "Clinic" for service men, (25) 8  
 Calls for accelerated subcontracting, (18) 3  
 Reports on subcontracting to Mid-Central Board, (19) 4  
 Summons field men to "Clinic," (24) 8  
 Nehemkis, Peter R. Jr.:  
 Addresses "Clinic" for service men, (25) 8  
 Addresses southern State Defense Councils, (12) 6  
 Estimates curtailment of civilian goods, (25) 15  
 Office of Small Business Activities becomes Defense Contract Service, (6) 7  
 Pamphlet on service functions issued, (17) 11  
 Regional meetings held in Chicago, (12) 3  
 Subcontracting, new plan expected, (19) 4  
 Trecker, Joseph L.:  
 Addresses financial session of "Clinic," (25) 9  
 States that not more than 50 percent of United States productive capacity is being used, (19) 4  
 (See also (6) 7, (12) 12)  
 Food and Food Products Section:  
 Davis, Clyde:  
 Addresses Western Pennsylvania Restaurant Association, (18) 9  
 Appointed to Food Section, (2) 13  
 Proposed program, (2) 13  
 Heavy forgings for ships and big guns to be expanded, (15) 20, (16) 7  
 Iron and Steel:  
 Industry to be canvassed on expansion possibilities, (23) 10  
 Scrap suppliers and consumers to meet with Government officials, (21) 21  
 Production Planning Board:  
 Doherty, Robert E.:  
 Appointed to Board, (8) 14  
 Named chairman, (16) 13  
 Personnel, (8) 14  
 Spiegel analyzed as ferromanganese substitute, (8) 1  
 Steel:  
 Companies advised to turn production to plates rather than strips, (24) 10  
 Defense orders allocated, (23) 10  
 Production to be expanded by 1,556,000 tons a year, (25) 7  
 Sheet and strip production curtailed, (23) 10  
 Shortage predicted in 1941-42, (22) 6  
 (See also Iron and Steel, above)  
 Stock piles for defense reviewed, (21) 5  
 Tin:  
 Can manufacturers consider various conservation measures, (16) 5  
 Coating on cans to be reduced, (19) 5  
 Metal recoverable from used cans estimated, (16) 5  
 Savings in collapsible tubes urged, (23) 10  
 Unstable market condition, warning issued, (8) 14  
 Tungsten:  
 Molybdenum suggested as possible substitute, (17) 7  
 Part of government-held stock released, (6) 5  
 PUBLIC LANDS serving defense purposes, (9) 13  
 PUGET SOUND, woodworkers strike. (See Defense Mediation Board)

## PURCHASES DIVISION:

American National Livestock Association representatives confer on meat supplies, (8) 11  
 Army purchases:  
 Army demands should not cause rise in canned goods prices—John Baxter, (14) 24  
 Army Equipment Appropriation Bill expected to save great sums to the public, (7) 3  
 Bread cost considered too high, (17) 8  
 Canned tomato bids rejected, (18) 13  
 Clothing procurement program outlined before House Appropriations Committee, (5) 3  
 Linen supply to be increased by 750,000 sheets, (18) 17  
 Lumber to be purchased for Army building, (17) 9  
 Meat products served to Army men to have wider variety, (11) 7  
 Shoe and clothing contracts completed, (1) 13  
 Shoes to average \$3.30 a pair, (17) 2  
 (See also War Department)  
 Businessmen to have advance information on minimum-wage determinations, (11) 9  
 Butter, egg, poultry, and cheese industries form subcommittee, (3) 9  
 Coffee bids rejected after consultation with OPACS, (22) 13  
 Division organization and expansion, (13) 8, (23) 16  
 Electrical Industry Advisory Committee formed, (26) 14  
 Food Procurement Advisory Committee: Committee established, (1) 13  
 Policies outlined by Col. Paul P. Logan, (2) 10  
 Lumber manufacturers to cooperate in building stock pile, (9) 5  
 Nelson, Donald M.:  
 Addresses National Association of Purchasing Agents, (22) 5  
 Addresses National Convention of the American Association of University Women, (19) 11  
 Addresses National Manufacturers Association, (25) 10  
 Addresses National Retail Dry Goods Association, (3) 8  
 Addresses United States Chamber of Commerce, (18) 12  
 Heads certain commodity sections, Defense Industry Advisory Committees, (26) 3  
 Press conference, Apr. 16, (16) 10  
 Press conference, June 11, (24) 12  
 Warns that defense contracts cannot be "bought," (14) 20  
 New England Fish Industries endorse procurement policy, (2) 10  
 Office of Price Administration and Civilian Supply cooperates with Purchases Division, (17) 9  
 Office of Small Business Activities:  
 To bring small businesses into defense program, (1) 13  
 Transferred to Production Division as Defense Contract Service, (6) 7  
 One and a half billion dollars in contracts cleared, (16) 24  
 Paints, Varnishes, and Lacquers Advisory Committee established, (13) 8  
 Protective Coatings Section established, (15) 9  
 Regional purchasing offices established, (1) 13  
 Resin shortage averted, (21) 20  
 Shoe bids rejected on advice from OPACS, (22) 13  
 Smith, Tom:  
 Appointed special adviser on procurement of bakery products, (11) 9  
 Studies bread sales to Army camps in seven States, (17) 8  
 War and Navy Departments aid in improving methods of handling purchases, (7) 2

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Wool:  
 Growers to benefit from Government buying, (15) 23  
 Needs for fiscal year 1942, (20) 16  
 R  
 RECONSTRUCTION FINANCE CORPORATION allocations for defense now amount to \$1,183,000,000, (7) 2  
 REED, PHILIP D. appointed consultant on aluminum and magnesium priority committee, (8) 2  
 REEVES, FLOYD W. (See Labor Division)  
 RENTS, (2) 7, (4) 7, (6) 8, (12) 10, (14) 14, (16) 14, (17) 19, (18) 18, (19) 18, (20) 14, (24) 18, (24) 20  
 REUTHER, WALTER (4) 4, (5) 9, (12) 7  
 REVIEW OF THE WEEK:  
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 May 6, (18) 2  
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 ROGERS, HARRY S., appointed chairman, General Products Group, Priorities Division, (18) 6  
 RUBBER, Prices and Supplies, (8) 2, (21) 9, (24) 8, (25) 3, (26) 7, (26) 24  
 RURAL ELECTRIFICATION ADMINISTRATION:  
 Contribution to defense program, (21) 5  
 Latin-American engineers to take in-service training course, (26) 21  
 Power reserve cooperatives organized, (12) 9  
 S  
 SAMSELL, RALPH C., appointed special adviser to Purchases Division, (7) 2  
 SCARBOROUGH, LOUIS, appointed assistant regional coordinator, Housing Division, (16) 18  
 SCHRAM, EMIL:  
 Appointed assistant director of Priorities in charge of operations, (18) 6  
 Resigns from post to accept presidency of New York Stock Exchange, (22) 8  
 SEARLE, ALEC, appointed special adviser to Purchases Division, (7) 2  
 SECURITIES AND EXCHANGE COMMISSION to inform OPACS of market activities, (25) 14  
 SELECTIVE SERVICE:  
 Agricultural occupation a deferment consideration, (22) 10  
 Conscientious objectors:  
 Noncombatant units announced, (4) 2  
 Rights to be maintained—C. A. Dykstra, (3) 15  
 Dental defects cause rejections, (10) 9, (15) 11  
 Dentists, deferment suggested for civilian care, (22) 19  
 Executive order empowering parole of Selective Service violators, (4) 3  
 Felony, general rule substituted for State definitions for classification purposes, (20) 19  
 Health of present trainees better than that of 1917 trainees, (12) 14  
 Lay brothers of Catholic church exempt from service, (6) 8  
 Married registrants with one or more dependents to be deferred, (26) 10  
 Medical Corps Reserve, qualified registrants urged to apply for commissions, (15) 24  
 Medical students to be commissioned in Medical Administrative Corps Reserve pending completion of studies, (26) 23  
 "Prehabilitation" plan proposed, (18) 22  
 Psychiatric advisers aid in selecting men for service, (16) 20  
 Registrants to inform boards of changes in address, (6) 10

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Salvation Army officers deferred from service, (26) 23  
 "Service flags" for draftees' families opposed by C. A. Dykstra, (3) 15  
 Second registration to be handled by local boards July 1, (22) 5  
 Skilled workers and deferment, (18) 3, (20) 12, (23) 7  
 Twenty-two-year-olds supply greatest number of inductees, (20) 22  
**SESSIONS, ROBERT E.**, appointed assistant director, Price Division, OPACS, (23) 14  
**SEWARD, RALPH T.**, appointed executive secretary, Defense Mediation Board, (16) 2  
**SHAUGHNESSY, QUINN**, appointed to Fuel Section, Price Division, OPACS, (23) 14  
**SHEPARD, R. B.**, appointed coordinator of Defense Contract Service, (9) 6  
**SHIPBUILDING STABILIZATION COMMITTEE.** (See Labor Division)  
**SHOES, Prices and Supplies,** (1) 13, (10) 9, (10) 12, (13) 14, (14) 12, (14) 15, (17) 2, (17) 15, (22) 13, (22) 15, (25) 9  
**SLATOR, HELEN M.**, appointed secretary of Advisory Committee on Wholesale Distribution, (4) 9  
**SMITH, TOM** (See Purchases Division)  
**SOCIAL SECURITY BOARD:**  
 Employment situation and activities for February, (9) 9  
 Minority prejudices revealed among some employers by study, (15) 5  
**SPRAGUE, CHARLES A.**, outlines civilian action program, (22) 23  
**STANDLEY, WILLIAM HARRISON**, appointed to Production Planning Board, Production Division, (8) 14  
**STASSEN, HAROLD E.**, addresses Fifth General Assembly of Council of State Governments, (3) 10  
**STATE AND LOCAL COOPERATION:**  
 Advisory Committee on Defense Fire Protection Problems appointed, (1) 12  
 Aircraft observers to be organized for duty, (20) 18  
 Army Air Corps assisted in air-warning service by volunteers, (17) 23  
**Bane, Frank:**  
 Discusses meaning and program of civil defense, (12) 12  
 Discusses shortage of community facilities before House Committee on Public Buildings and Grounds, (10) 8  
 Urges cooperation with Defense Contract Service, (16) 12  
 Wires State and local councils on bituminous coal situation, (14) 2  
**Bulletins issued:**  
 "Civil Defense Protective Construction," (18) 22  
 "State and Local Cooperation in National Defense," (17) 22  
 "Suggestions for State and Local Fire Defense," (13) 6  
 Canadian Federation of Mayors and Municipalities, conference attended by United States mayors and city officials, (19) 23  
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# DEFENSE

★ OFFICIAL BULLETIN  
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## Increase in price of fuel oil is not traceable to defense—report of Consumer Division

Recent rises in price of domestic fuel oil are not the result of the defense program and there is no justification for a further rise, according to a preliminary investigation released by Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission.

Primary cause of the rise is increased demand for fuel oil for home, office, and apartment heating.

Shortage of tankers to transport oil does not explain the price rise. Tanker and storage facilities are adequate. Operating costs of tankers have not risen. Insurance rates have not risen and have been lowered in some instances. Although wage rates have increased slightly, they constitute no more than 15 percent of the total costs of tanker operations.

### New sources

Tanker tonnage transferred to the Navy and to foreign registry represents only about 13 percent of the total tanker capacity.

Published charter rates for tankers have increased, but 90 percent of the oil moving from Gulf ports to the Atlantic seaboard is transported in tankers belonging to large oil companies which do not pay published charter rates.

Should the situation in tanker facilities eventually become critical there are sources from which added facilities may be made available—56 new tankers representing a capacity of over 500,000 tons are under construction, some of them near completion.

Certain of the ships transferred to foreign registry could be made available under recall provisions.

### Stocks on hand

Stocks of fuel oil in hands of refining companies at the end of October were larger than stocks held at the same time last year.

## Summary of the week in defense—the President's message to Congress; expansion of aircraft facilities

In his message to Congress Monday afternoon, President Roosevelt asked for "Billions of dollars worth of weapons." He made no specific legislative recommendations, but outlined the following policy:

1. All-inclusive national defense and speeding up of the armament program.
2. Full support to nations "resisting aggression everywhere."
3. Rejection of any suggestion of a negotiated peace dictated "by aggressors and sponsored by appeasers."
4. Loan of armaments to nations fighting dictatorships to be repaid after the war.
5. Heavier taxes entailing "sacrifice" by the people.
6. A pledge that there would be no profiteers in this new emergency.
7. An expanded domestic program to include widening of social security coverage, more adequate medical care, improved employment machinery.

### Expansion contracts

Following President Roosevelt's address to the Nation a week ago, calling for further defense effort, these aspects of progress in the program were announced:

Award of contracts totaling \$70,000,000 for expansion of aircraft manufacturing facilities at four plants—\$36,800,000 for Studebaker plants at South Bend and Fort Wayne, Ind., and Chicago, with the remainder divided for expansion of the Buick Motor Division of General Motors at Grand Blanc Mich.; North American Aviation Corporation at Inglewood, Calif.; and General Electric at Everett, Mass.

Suspension by Executive Order—because of "extraordinary emergency"—of the 8-hour day for workers constructing Army and Navy bases at sites leased from Great Britain. The President emphasized that national defense required construction of the bases at the "earliest practicable date."

### NYA training

Inauguration of a plan to open facilities of vocational schools to more than 300,000 NYA workers to provide training in vocations "most valuable to national defense" under supervision of the Office of Education with cooperation of State and local schools.

Award of contracts by the War Department for a \$14,000,000 ammunition loading plant at Milan, Tenn.; an \$11,000,000 TNT plant at Sandusky, Ohio; \$31,680,000 for two munitions plants, one at Humboldt, Tenn., and the other at Henderson, Ky.

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# DEFENSE

## Description of the operation of the priorities system

Rules and regulations that govern the operation of the priorities system under the general supervision of the Priorities Board were promulgated recently.

By virtue of the authority vested in the Priorities Board, appointed by the Council of National Defense, by Executive Order No. 8572, dated October 21, 1940 (5 F. R. 4199), as amended by Executive Order No. 8612, dated December 15, 1940 (5 F. R. 5143), and pursuant to section 2 (a) of the act of June 23, 1940 (Public 671, 76th Cong., 3d sess.), and in order to establish in the public interest and in the interest of the national defense a uniform procedure for the handling of priorities, the following rules and regulations are hereby prescribed:

### PART I—DEFINITIONS

"Board," as used herein, shall mean the Priorities Board appointed by the Council of National Defense, and vested with authority by Executive Orders No. 8572 and No. 8612, referred to above.

"Administrator," as used herein, shall mean the Administrator of Priorities designated by the Board and vested with authority by Executive Orders No. 8572 and No. 8612, referred to above.

"Subcontracts," as used herein, shall include (a) contracts for material between prime contractors and any persons; (b) contracts for related materials between such persons and any suppliers; (c) contracts for related materials at any stage of production or processing which directly or indirectly enter into or contribute to the production or processing of materials ultimately to be delivered by the prime contractor.

### PART II—PROCEDURE

ARTICLE 1. In accordance with the Directive established on August 5, 1940, by the Army and Navy Munitions Board and the Army and Navy Joint Board, entitled "Priorities in Material Procurement," as the same may be amended from time to time by joint action of War and Navy Departments, the Priorities Committee of the Army and Navy Munitions Board, with the concurrence of the Priorities Board, shall provide for the assignment

of preference ratings to all Army and Navy prime contracts for materials contained in the list of critical items of the Army and Navy, approved October 23, 1940, as the same way be amended from time to time with the approval of the Priorities Board.

ART. 2. Pursuant to the written direction of the contracting officer, any person with whom a contract for materials has been placed by the War or Navy Department may extend the preference rating on his contract to his related subcontracts, in accordance with instructions heretofore and hereafter issued by the Priorities Committee of the Army and Navy Munitions Board, with the approval of the Administrator. A copy of any such written direction shall immediately be transmitted by such contracting officer to the said Priorities Committee.

ART. 3. Whenever a person with whom a preference rated contract or subcontract has been placed finds that, as a result of his inability to effect the necessary adjustments with the cooperation of industry or for any other reason, he will be or is unable to deliver the materials called for by the contract or subcontract, as the case may be, on the specified date of delivery, he shall immediately report the facts through the normal procurement channels for processing, if necessary, to the Priorities Committee of the Army and Navy Munitions Board.

ART. 4. Upon receipt of such report or upon its volition, the Priorities Committee of the Army and Navy Munitions Board shall endeavor to resolve the conflict by arranging for a change of delivery date or preference rating or by some appropriate adjustment within the War and Navy Departments. If the said Priorities Committee is, however, unable thus to resolve the conflict, it shall immediately refer the matter to the Administrator.

ART. 5. The Administrator may, thereupon or upon his own volition, take such

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### SHIP CONSTRUCTION RECORD

Secretary of the Navy Frank Knox has announced that the 1,650-ton destroyer *Edison*, being built by the Federal Shipbuilding Co. of Kearny, N. J., will be delivered for commissioning this month, setting a record for the present program of 10 months of construction time. Normal time for similar construction has been 18 to 31 months.

# INDUSTRIAL PRODUCTION . . .

## Ten billions in defense contracts; 85 percent of total; heavy industry is now at tooling-up stage

With the major part of defense contracts awarded, the Nation's heavy industries are now at work tooling up for mass production of defense items, and before the year is out they will be producing defense items at unequalled speed, according to recent statements by William S. Knudsen, Commissioner in charge of the Production Division of the National Defense Advisory Commission.

Mr. Knudsen recently was named Director of the Office for Production Management, of which Sidney Hillman, Labor Commissioner, is Associate Director, and the Secretaries of War and Navy are members.

Approximately \$10,000,000,000 in defense contracts—more than 85 percent of the total—have been awarded.

Major contract categories include: \$3,300,000,000 for ships; \$1,500,000,000 for construction of factory expansion and for housing; \$1,500,000,000 for planes and parts; \$600,000,000 for ammunition; \$500,000,000 for guns; \$400,000,000 for trucks and tanks.

### 50,000 planes

These contracts, plus such British and other foreign material orders as have been placed at the present time, call for:

50,000 airplanes; 130,000 engines; 17,000 heavy guns; 25,000 light guns; 13,000 trench mortars; 33 million shells loaded; 9,200 tanks; 300,000 machine guns and ammunition; 400,000 automatic rifles and ammunition; 1,300,000 regular rifles and ammunition; 380 navy ships; 200 mercantile ships; 210 camps and cantonments; 40 Government factories; clothing and equipment for 1,200,000; the first mass production tank factory in the world; 5 smokeless powder and high explosive plants; 6 shell, bag, and ammunition loading plants; 5 new machine-gun plants; 50,000 trucks.

Deliveries on these contracts show:

Approximately 2400 airplane engines monthly; approximately 700 airplanes monthly; over 100 light tanks monthly; more than 10,000 M1 semiautomatic rifles monthly; one fighting ship for the Navy every 12 days.

Contracts will call for about 18,000,000 man-hours of labor.

Certain general principles were followed in awarding the contracts. The first consideration was speed of delivery

with orders placed in such a manner as to insure the most efficient use of each particular facility from the point of view of the whole program.

Assurance of proper quality was also of prime importance. It was necessary to determine whether the prospective contractor could meet specifications. These specifications had to come as near as possible to coinciding with commercial standards so that existing productive machinery may be used wherever possible.

Price was given due consideration. Every effort was made to assure its reasonableness, and consideration is given to a proper appraisal of the costs involved in the production of the particular item.

Very important was the matter of utilizing off-season production. In several instances—blankets for example—it has been possible to dovetail the military program into production for civilian requirements by utilizing plant facilities that were idle or nearly so because of seasonal demands for the product. In addition, placing orders for military requirements at slack times reduces the overhead of the plant by employing its facilities at a higher level of capacity. This, in turn, results in lower prices both for civilian consumers and the Government.

The interests of the consumer were recognized in other directions, especially in respect to civilian needs and morale, proper health and housing of employees.

The interests of the worker were safeguarded by adherence to all existing labor laws and standards.

### Distribution

Another important consideration was geographical distribution of defense orders.

Financial responsibility of the supplier was examined. Ability to post a bond did not necessarily dispose of this prob-

lem. The probability should exist that the supplier will be able to continue in business. An ability to finance himself through private sources will take precedence over Government aid.

The moral responsibility of the supplier was important, and in some respects, fundamental. There should be evidence of honest and sincere desire to cooperate with the Army and Navy in producing what is called for, without profiteering.

### Plant contract

A plant facilities contract has been developed whereby a separate arrangement is made for the plant and another for the article. This was done in order not to unduly inflate the price level. The facilities are grouped into three classes.

(a) Strictly complete munitions plants which would have no commercial value after the emergency, built by the Government, operated under a management fee contract, and returnable to the Government by the management after completion of orders—the title to the property resting with the Government at all times.

(b) A plant built and operated by a private manufacturer toward the cost of which the Government will subscribe 20 percent annually for five years and take progressive title to the property as the payments were made, with the provision that the manufacturer had the right to purchase the property at that period or before, if the emergency did not last five years, by paying the original cost of the plant, less specific depreciation rates cut-lined in the contract, or to negotiate for a price below this, with the contracting agency having the refusal of the offer and the right to keep the plant. (a) Where a partial expansion of the plant took place the method followed was in Plan (b) except where the negotiations failed at the end of the emergency the Government could not take the addition to the plant but had to demolish the financed portion and restore the property to its original state.

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### FIRST AT-8 PLANE

Delivery of the first AT-8 airplane, manufactured by the Cessna Aircraft Co., Wichita, Kans., has been announced by the War Department. This plane is a two-seater, bimotor type, powered by two Lycoming 230 horsepower radial engines. It is the first advanced training plane with twin engines and is to be used for transition from single- to twin-engine training.



# INDUSTRIAL MATERIALS . . .

## Expansion of aluminum facilities; prevention of bottlenecks in supply of raw materials for defense

Greatest aim of the Industrial Materials Division of the National Defense Advisory Commission in 1941 will be to prevent bottlenecks in the supply of raw materials to defense industries, as production in the national defense program reaches its peak, Edward R. Stettinius, Jr., head of the Division, said this week.

Plans to meet these increased demands from the Nation's industries for raw materials have been in formulation since the Division began work 6 months ago, he asserted.

In anticipation of these demands the Industrial Materials Division has been moving forward on many fronts. Expansion of aluminum fabricating facilities to meet the requirements of our aircraft program has been worked out. Armor plate and heavy forging facilities will be expanded to meet the needs of our shipbuilding program as evidenced in the December announcement of the favorable attitude of the Division toward expansion plans of the Bethlehem Steel Co., and in the Division's granting to Bethlehem a certificate of necessity for special tax amortization of the new facilities.

### Adequate aluminum

Production of ingot aluminum during the next 2 years from the present plants and those additional units already planned, together with the secondary supply, appears adequate to take care of military requirements as now estimated, and present civilian requirements, with a sufficient surplus to permit some increase in civilian requirements over the present level, or in military requirements if needed.

Ingot production has already been increased from the 1939 level of 325 million pounds to the present capacity of 465 million pounds per year.

Expansions already under way and planned will increase the level to 690 million pounds per year by July 1941, and 825 million pounds by July 1942. This July 1942 production will be two-and-one-half times the 1939 level.

Fabricating facilities of the industry are being increased to take care of the increased requirements, and while there may be temporary delays in supplying civilian needs for some fabricated

articles, no serious difficulties are expected.

### Aircraft requirements

Aircraft requirements are based on the revised schedules of the Army, Navy, and the British, and include the new British program. The aluminum requirements are estimated four months in advance of airplane schedule deliveries. These requirements will increase steadily to meet the increasing requirements of the aircraft program.

Capacities of sheet mills are being increased to produce the strong alloy sheets used in airplanes.

The anticipated supply of the strong alloy aluminum used in plane construction is ample to meet the present plane schedules. At present there are large orders on hand for military requirements other than planes, such as field kitchens and the individual soldier's equipment, and while these orders are in process there may be temporary delays in meeting some civilian requirements.

### Temporary delay

There are some delays in forgings, but this is expected to be temporary. With the installation of new hammers this situation will be remedied.

Consumption of bauxite from Arkansas is being increased.

Supplies of manganese on hand or readily available to the United States are now estimated as adequate for more than 2 years' requirements.

Reserve stocks of tin are being accumulated rapidly and current supplies either already in the country or en route are adequate to meet requirements for more than a year.

Potential supplies of toluene used in the highly important explosive TNT are adequate for all anticipated United States requirements.

### British pig iron

Arrangements also have been made with the British for the shipment of large quantities of pig iron from the British Isles to the United States. This material will be carried in British ships which heretofore have been making the return journey to this country empty or with only partial cargoes.

The program for acquiring stock piles of strategic and critical raw materials sufficient to carry through the emergency has been moving ahead. But this has been a difficult task, as Mr. W. L. Batt, Deputy Commissioner of the Division, explained in a speech recently. "Huge stocks of these materials are not lying around the world waiting to be purchased," he pointed out.

"Negotiations are difficult. Trade restrictions are manifold. Sometimes production and deliveries, because of shipping difficulties, are slow. We were able to make a couple of quick purchases of substantial supplies of antimony and chrome ore in Indochina and the Mediterranean, but those were the exceptions rather than the rule.

"The stock pile program, calling for the accumulation of about 2 years' reserves of the strategic materials, is well along from the standpoint of contracting for deliveries, but even if we had title to it a ton of chrome ore in the mountains of Turkey would not help us produce a single pound of high-grade steel.

### Substitutes

"There are two other possible courses of action. One is to find substitutes. We are following this line, too, notably in the case of rubber, where we are arranging for greatly increased production of synthetic.

"The last course is salvage and reclamation. We try to save this one as a last resort. But, just to be on the safe side, we are developing detailed plans for gathering up waste products and reusing them wherever possible."

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## INCREASE AT CHARLESTOWN

The War Department has announced award of a contract for approximately \$23,000,000 to the E. I. du Pont de Nemours & Co. for increased facilities for smokeless powder manufacture at the Indiana Ordnance Works, Charlestown, Ind. This added contract brings total cost of this plant to approximately \$74,000,000.



# AGRICULTURE . . .

## Effect of decentralization of defense industries on the farm labor problem; prospect of expanded demand in 1941 for dairy products and meats

Gearing American agriculture into the defense program will be the principal task of the Agricultural Division during the coming year, Chester Davis, head of the Division, said this week.

Groundwork was laid in the past 6 months, when the Division worked toward greatest possible utilization of agricultural resources in the defense effort, and in adjusting certain of the impacts of the defense program so as not to press unduly on the farm industry.

An important consideration is that of prices and the price policy to be followed as a result of the war abroad and the defense program at home. The farmer has a double interest in prices—first as a producer of raw materials, and also as a user of manufactured goods in farm production.

### Production up

Behavior of agriculture during the depression has differed from that of industry. The great depression, with its accompanying loss in both home and foreign demand, did not bring any appreciable reduction in output of agricultural commodities. Instead of reducing its scale of operation with accompanying obsolescence in plant and labor force, agriculture continued to produce at capacity levels. In fact, during recent years the aggregate agricultural production has been higher than at any previous time.

The result of this is that many problems which have been serious throughout industry are either totally absent or present only in a minor degree in agriculture since the United States has abundant supplies of most of the great staples. In fact, excess supplies of cotton, wheat, tobacco, and certain other commodities continue to be a problem in spite of the defense program. Substantial quantities of these commodities have been thrown back on the domestic market because of the closing of the sea lanes and have been added to the domestic surplus.

For certain commodities such as dairy products and meats, there is a prospect during 1941 of expanded domestic requirements. However, here again there are no questions of bottlenecks, serious skilled labor shortages, or reluctance to expand capacity. And through the agricultural programs built up in recent years, there is adequate machinery for obtaining an orderly expansion in the output of farm commodities if required.

### Location of industries

Next to its supplies of food and fiber, the most important resource of agriculture in the defense program is the large reserve of labor available for industrial employment.

During the depression the normal migration from rural areas where the birth rate is high, to urban centers with a low birth rate, was largely checked. During this same period, technological advances in agriculture were releasing farm labor and in the immediate past, the cutting off of cotton, tobacco, and wheat exports has made available a large potential reserve of farm labor which is no longer needed for the production of these commodities.

Much of this labor will be drawn into urban industry but it has been a major objective of the Agricultural Division to minimize the extent and distance of the migration required so far as possible.

### Decentralization

The most important device for achieving this general objective is the decentralization of new defense industries in order that these labor reserves may be tapped directly. The Agricultural Division has participated actively in the location of the new defense industries with this end in view. A strong effort is being made to locate as many of the new de-

fense plants as possible in the South or west of the Mississippi River.

While the major objective in decentralizing defense industries has been the tapping of this large labor reserve, it is believed that other advantages may be expected to accrue from such a policy.

In some measure, the pattern of industrial concentration in the United States was set during the War Between the States and during World War I.

Hurried and unplanned expansion of industry during these two periods led to a natural concentration in the Northeastern and Lake States. It has been considered wise to avoid, so far as possible, a further reinforcement of this concentration to the end that a better balance between agriculture and industry over the country as a whole might be achieved. At the same time it was hoped to avoid the congestion of transportation facilities and extreme labor shortages which occurred during the first World War.

### Difficulties encountered

There have been serious difficulties in carrying through this policy. In many instances locations desirable from a longer time point of view have had to give way to less satisfactory sites where more rapid production was possible.

Moreover, for the types of plants requiring large quantities of skilled labor, the risk of moving out of the present areas of production was too great to be taken during a period of defense emergency.

However, for many of the large munitions factories, a substantial measure of decentralization has been achieved.

Thus, two of the three smokeless-powder plants have been located in areas where they will draw on reserves of predominately rural labor.

Of the four large shell-loading plants, one has been located in a rural section of the South and another in the area west of the Mississippi River.

All of the small-arms ammunition plants have been located outside of existing areas of heavy industrial concentration. The later stages of the airplane program are also in western cities away from the major industrial centers.

On the other hand, much of the earlier expansion in the aircraft industry, the plants for production of mechanized equipment, and plants requiring a large proportion of machine skills in their labor force, has gone into the present industrial regions.

(Continued on page 6)

## Agriculture . . .

(Continued from page 5)

### Land acquisition

While there are many problems involved in getting a defense plant located in a rural area, there are other factors to be considered after a rural location is approved.

Establishment of defense facilities in rural areas, particularly those requiring large acreages, such as munitions or training centers, will create new and difficult problems for the people who have to move off the land selected for defense sites. Families representing every section of the Nation and every stratum of income, from sharecropper to estate owner, are now living on land involved in the purchase program.

Many of these people will be able to relocate themselves without guidance or aid, but many others will need assistance. An attempt is being made to get priority of employment for workers in the displaced families on the new defense projects.

Attention has been given to land-acquisition problems, including a study of methods of purchasing land. As a result, it has been decided by the purchasing agencies concerned that in the future in the case of projects where large areas of farm land are involved, experienced Government land purchase and land appraisal agencies will be used in determining land values.

### Standard procedure

Study has also been given to a proposal to draw up a standard land purchase procedure which would protect the rights of both landowners and tenants. It would recognize the value of factors such as loss due to the forced sale of livestock not yet ready for market; loss of small secondary farm buildings or farm property which could not be salvaged; value of silage and value of field work performed in preparation for next year's crops. Under this proposal rights of tenants would be recognized and protected.

In all land-acquisition work close cooperation has been maintained with the Department of Agriculture. Land experts and economists of the Department have served as consultants.

The food situation is quite different now from that of 1917.

In 1917, we had low reserves and actual shortages in many commodities.

Now we have large surpluses in many

## PRICE STABILIZATION . . .

### Conferences with scrap, pig-iron industry representatives; stable price for steel in first quarter of 1941; "industrial well-being"

The Price Stabilization Division, under Commissioner Leon Henderson, this week continues its procedure of the first 6 months of the Commission's activity in calling together consumers and producers in an industry where a price situation is developing.

This week Mr. Henderson is meeting with members of the scrap, pig-iron and related industries. These conferences were scheduled after a meeting held in Washington in December with representatives of integrated and nonintegrated steel companies.

#### Steel price

At that conference recent price developments in the steel and related industries were reviewed by representatives of steel companies and of the Price Stabilization Division.

It was pointed out that while prices of scrap, pig iron, and coke changed little for nearly 2 months following a similar meeting on October 3, they have moved upward during the past two weeks. It also was noted that the price of finished steel for the first quarter of 1941 will remain the same as for the last quarter of 1940 and for several previous quarters.

It was agreed that steel makers cannot continue indefinitely to absorb the increased cost of raw materials entering into their product without ultimate reflection in a higher price of finished steel—a

result which steel manufacturers do not desire.

#### Lower level

Dealers in scrap also are agreed they do not wish to see the price of that raw material increase and sellers of scrap who also are purchasers of finished steel desire to see scrap and steel prices held down. It therefore is apparent that all three groups involved—buyers, middlemen, and sellers—are anxious to avoid price increases.

"Today the price level is lower than it ever was when wheels of industry were turning fast," Mr. Henderson said recently. "This I regard as the healthiest sign of our industrial well-being. Low, noninflationary prices are necessary for stability and strength—not only in the procurement of defense needs, but in the troubled days when this emergency is over. Again—this low, stable price level did not come into existence by accident. It resulted, again, from a national policy of allowing ample agricultural supplies, taken together with an insistence by government on low industrial prices and the adoption by business statesmen."

commodities, and adequate supplies for the present in almost all of them.

Whether we will encounter a serious food problem later depends upon the duration of the war. But it appears advisable to have a program prepared to meet whatever situation may develop in the future.

With this preparedness thought in mind, an Interdepartmental Conference Committee on Food Resources, composed of representatives from all Government departments and agencies concerned with food, has been set up to secure facts

on which to base a defense program in the food field. This conference committee has appointed 15 subcommittees, each covering a special segment of the food industry.

These subcommittees are now taking an inventory of our food resources, surveying existing data on production, stocks, carry-over, exports, imports, and utilization. They are taking an inventory also of our physical assets—storage, warehousing, processing, and manufacturing equipment, and our distribution facilities.

# DEFENSE HOUSING . . .

## 27,700 federally financed dwelling units in 29 States; houses being built by public and private agencies will total 100,000 in March

With 27,700 federally financed dwelling units being built in 29 States, a Nation-wide survey shows that Federal defense housing agencies whose programs are being carried on in cooperation with the Defense Housing Coordinator are going forward with construction to meet immediate needs, Defense Housing Coordinator C. F. Palmer has reported to the National Defense Advisory Commission.

Of the 27,700 dwellings, the Navy is building 15,865. Under the Federal Works Administration the Public Buildings Administration is building 6,800 units and the United States Housing Authority, with local Housing Authorities, is building 5,100 dwellings.

In addition to these Government-financed programs, thousands of houses are being built in defense areas by private builders to meet impending shortages caused by increased defense activities.

### Government aid

Private builders are assisted by the Federal Housing Administration and the Federal Home Loan Bank Board in carrying out their part of the cooperative program. Their part consists of private and permanent housing for workers who can pay more than minimum rents. This effort on the part of private enterprise conserves Government funds for low rent housing.

The first 50,000 family dwelling units in the defense housing program will be ready for occupancy during the first few months of 1941. It is anticipated that the number of houses under construction and completed by private and public agencies will total 100,000 by March 1941.

Under the coordinated program, the agencies constructing housing with public funds and the agencies assisting private capital are cooperating in a program which uses all of their facilities.

Specific portions are assigned to each agency so that the entire need can be met without duplication or gaps. The Government is building housing for low income groups and to provide for temporary needs. It also assists private capital to provide for medium rent and permanent need.

### Typical area

The Norfolk-Newport News - Portsmouth region of Virginia represents a typical area where intense defense activities require the building of defense housing. A few days ago officials of the various housing agencies made a flying trip to the area with the Coordinator.

On the flight from Washington to Norfolk the party flew over the Norfolk, Newport News, Portsmouth, Yorktown, Va., and Indian Head, Md., projects. From the air the party could see foundations being laid, and in many places roofs were going up, so that construction could be completed during winter months.

The party saw over 6,000 dwelling units under construction for the shipbuilding workers, the Navy Operating Base and Aviation Base, Army establishments, and service workers moving into this region.

### "For every workman"

These houses are being built by private builders, by the Navy and through FWA, by the United States Housing Authority, and by the Public Buildings Administration. The coordinated defense housing program for the area calls for several thousand more houses, in addition to those now under construction.

Mr. Palmer, after seeing the work that each agency is doing, announced, "We feel sure that housing is going to be provided for every workman necessary for the vital defense shipbuilding and military activities."

### Summary of standards

Mr. Palmer, during the past six months, has been concerned with establishing, in cooperation with other federal agencies, certain basic principles for defense hous-

ing. A summary of minimum planning standards for defense housing projects, including reasonable standards of safety, convenience, and health is being devised, which includes requirements for site selection, site planning, planning for dwelling units, and community facilities.

Group buying procedures for agencies constructing defense housing have been set up through the cooperation of Commissioner Leon Henderson, of the Price Stabilization Division, and Donald M. Nelson, Coordinator of Defense Purchases. These procedures apply particularly to mechanical equipment such as refrigeration and all plumbing items as well as heating devices.

### Information on awards

To prevent the overburdening of any particular contractor and resulting delay, a system has been devised under which each of the several government agencies engaged in defense housing construction may know to what contractors other agencies have made awards.

A memorandum of understandings concerning the establishment of central registration in the programs of the local defense councils has been worked out with the Division of State and Local Cooperation and the Coordinator.

This requests housing representatives of State defense councils to make arrangements with the local defense councils for central registration of vacant houses, apartments, and spare rooms, in order to assist defense workers in securing appropriate housing facilities among existing accommodations.

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## ARMY ENGINEER SCHOOL

The Army Engineer School at Fort Belvoir, Va., has enlarged its program of instruction considerably in recent months to meet increasing demands for highly trained engineer personnel necessitated by the rapidly expanding Army. It is now one of the largest of the special service schools being operated under direction of the War Department.

In this fiscal year, an estimated 1,700 officers and 1,500 carefully selected enlisted men will receive special training there in the latest military engineering technique. At present about 200 Reserve officers are being graduated each month. Quartered in tents during the summer and early fall, the student officers and men are now housed in frame barracks.

# LABOR DIVISION . . .

**Report for the first six months;  
greatest training program in the  
history of the country under way;  
mobilization of labor skills;  
management-labor cooperation**

During the past 6 months, serious strikes in defense industries were cut to two stoppages, it was pointed out this week by Sidney Hillman, chief of the Labor Division of the National Defense Advisory Commission.

In addition, he said, the greatest training program in the history of the country has been begun, a Nation-wide mobilization of labor skills is now in full swing and management-labor cooperation has been promoted at the conference table.

The triple objective of the Labor Division is to help American labor contribute the fullest measure of its talents and efficiency toward meeting the material needs of national defense; to safeguard labor's rights and to reemploy the unemployed.

A review of the Labor Division's work during the past 6 months follows:

Nearly 2,000,000 Americans have gone back to work under stimulus of the defense program and the natural forces of recovery. A year hence, 4,000,000 more will have found jobs.

## Survey of resources

The Division's first assignment was to find out what the Nation had in terms of such human resources. At the request of the Division, the United States Employment Service, through its 1,500 employment offices throughout the country, hastened surveys to classify some 5½ million unemployed men and women according to trades and skills in more than 1,000 different occupations. Employers have been using these lists to fill their personnel needs and thus to drain off the unemployed in their localities.

The Civil Service Commission made a similar inventory of its applications on file, and, at the instigation of the Labor Division, it tapped the reservoir of older skilled workers by raising maximum age limits from 45 to 62 years in United States Army arsenals and United States Navy shipyards.

Labor unions cooperated with this program by making surveys of unemployed and employed members. Many skills useful for defense industries have thus been brought out from behind store counters and filling station pumps where they had been driven by the depression.

## Mapping of demands

The Labor Division next set up a system for mapping the present and future demands on the labor market as new contracts and subcontracts are let for the defense industries. Under the direction of Dr. Isador Lubin, executive assistant to Mr. Hillman, in charge of labor requirements, contracts are immediately analyzed to show what manpower will be needed to turn out the scheduled materials.

Speedy production of 17 billion dollars' worth of materials needed for defense called for the largest and fastest program for training workers ever attempted in America.

Before the close of the first month, June 1940, the Division had planned and the United States Office of Education and the W. P. A. had inaugurated a joint system of vocational training to improve and refresh the skills of 150,000 workers. Empowered by special legislation and an allotment of more than 17 million dollars, schools normally idle during the summer were thrown open.

By the end of August, more than 100,000 persons were enrolled—either unemployed workers refreshing skills in intensive courses fitting them for defense jobs, or employed workers receiving supplementary training to improve skills on the job. Within the next year more than 500,000 persons will have received

these courses which are keyed to new job-openings in each community.

## Training in industry

The next move was to undertake a Nation-wide program of training within industry. On July 24, Commissioner Hillman called a conference, under chairmanship of Owen D. Young, of six industrial and labor leaders who were experts in this field. Out of that conference came plans for a progressive program to aid industry in training apprentices, to stimulate the up-grading of those already at work in defense plants, and otherwise to equip large sections of labor with the knowledge necessary for the most effective use of the many new tools and machines which the defense program has brought into being.

From the ranks of industry the Labor Division drew two of the country's foremost personnel authorities—Channing Dooley, of Socony Vacuum, and J. W. Dietz, of Western Electric. They are assisted by a panel of experts drawn from labor and management.

## Rapid advancement

When the program is placed in operation, every American worker in defense industries will be able to use his highest skill. This up-grading procedure is making employee advancement swifter than ever before. Top-notch mechanics are being released from devoting their time to simpler, routine tasks. Workers in the intermediate grades will be trained for the best they can do so that they can be rapidly transferred upward from light machine operation to more complicated assignments. New employees are being prepared to move up rung by rung on the ladder of promotion.

These techniques have been evolved through special studies and cooperation of management and union leaders, and results are being made available to defense employers through a series of Training Within Industry Bulletins which have been published since September 24.

## Coordination

To quicken adoption of the plan on a Nation-wide basis, some 20 district representatives have been appointed to supervise this undertaking in the country's chief industrial centers. They will

be aided by 2 management and 2 labor advisors, together with a panel of personnel and training experts.

They have coordinated the vocational training given by the NYA and the CCC under the direction of the Office of Education. A large percentage of the 300,000 enrollees in Civilian Conservation Corps camps is learning defense trades.

Approximately 210,000 boys and girls are at work part time in over 3,500 National Youth Administration shops and construction projects getting experience in metal, mechanical, and manual trades which will help qualify them for non-combat defense jobs.

In part emulating the experience of Great Britain, the Division has inaugurated a program of revitalizing the "ghost" towns and declining industries of America. Late in October Commissioner Hillman suggested that contractors extend subcontracting in order to swing idle and near-idle factories and their reservoir of serviceable machinery and skilled help into the production of these parts. These plants could be used, he pointed out, without waiting for delivery of new machinery or the training of new skilled workers.

#### List mailed

As a result, to cite a single instance, a list of partly idle plants in 15 cities in the Ohio River region, ranging from older foundries and a rolling mill to railroad repair shops, was mailed out November 27 to 500 firms holding Government contracts.

Primary among the problems confronting the Labor Division was that of helping to insure uninterrupted production on defense contracts.

Shortly after arriving in Washington, Commissioner Hillman appointed a Labor Policy Advisory Committee to advise with him on drawing up a program to obtain labor's participation and cooperation in defense work. This committee is composed of 16 labor representatives—6 from the American Federation of Labor, 6 from the Congress of Industrial Organizations, and 4 from the Railroad Brotherhoods.

#### Support is pledged

This committee pledged the support of organized labor to the defense program and immediately informed Commissioner Hillman that everything possible would be done to maintain regular output in defense industries. Recently the committee again confirmed this stand by a statement which read in part as follows:

"In this time of world crisis, American labor is awake to the crucial need for a strong national defense program. \* \* \* Labor has been—and is—cooperating whole-heartedly throughout the entire defense effort. Labor again reaffirms its assurance of cooperation with the national defense program and further pledges itself to take no action which may in any way impede production before all conciliation facilities of the Federal Government for resolving any existing controversy have been exhausted."

Several industrial relations experts have been added to the Labor Division's staff to aid the Labor Department Conciliation Service and to collaborate with the members of the Labor Policy Advisory Committee to carry out this pledge.

The result: Only two major strikes during the first six months of the defense program.

These lasted six and four working days, respectively.

#### Shipbuilding stabilization

Last month the Shipbuilding Stabilization Committee was appointed, consisting of representatives of organized labor, the shipbuilding industry and the Federal Government.

These representatives have approved a policy urging that there be no interruption of production on the part of shipyard employers and employees before all facilities at the disposal of the National Defense Advisory Commission for adjusting differences have been exhausted. A subcommittee was named to determine detailed procedure.

#### Labor policy

In accord with President Roosevelt's declaration on May 26 that the defense program should bring no breakdown or cancellation of recent social gains, the Labor Policy Advisory Committee drew up and submitted to the Commission a statement of labor policy which was unanimously adopted and made public September 1. The statement said in part:

"All work carried on as part of the defense program should comply with Federal statutory provisions affecting labor wherever such provisions are applicable. This applies to the Walsh-Healy Act, Fair Labor Standards Act, the National Labor Relations Act, etc. There should also be compliance with state and local statutes affecting labor relations, hours of work, wages, workmen's compensation, safety, sanitation, etc."

In the belief that this policy was of national importance, President Roosevelt

included its text in a special message to Congress on September 13. To implement this policy and to require its strict observance the appropriate clauses are being written into defense contracts.

The system of negotiated contracts, which has been adopted to take the place of the customary competitive bidding, in various instances, has been of considerable aid in carrying out this labor policy.

The following statement of principles has recently been issued by the Adjutant General's office of the War Department:

"In future, every invitation for bids pertaining to national defense contracts will include this statement:

"The general principles governing the letting of national defense contracts and the statement of labor policy adopted by the advisory commission to the council of national defense and approved by the President will be the guide in the award of contracts under this invitation for bids. \* \* \* All work executed under any such contract will constitute work under the national defense program and will be carried out in compliance with the provisions of the statement of labor policy relative to overtime pay and in compliance with Federal statutory provisions affecting labor wherever such provisions are applicable, as well as with State and local statutes affecting labor relations, hours of work, wages, workmen's compensation, safety, and sanitation."

### PAMPHLET ON COMMISSION— ACTIVITIES AND FUNCTIONS

The National Defense Advisory Commission has published a pamphlet describing the functions and duties of the Commission with a summary of its activities for the past 6 months.

The first section of "The National Defense Advisory Commission: Duties and Functions," gives brief definitions of the duties of each of the seven Commissioners, and also of the duties of the Defense Housing Coordinator, the Coordinator of National Defense Purchases, the Administrator of Export Control, the Coordinator of Commercial and Cultural Relations between the American Republics, and the Division of State and Local Cooperation.

The second section is a division-by-division summary of the commission's activities since it was established on May 28, 1940.

Copies may be obtained for 5 cents each, payable to the Superintendent of Documents, Government Printing Office, Washington, D. C.

# CONSUMER DIVISION . . .

## Day-to-day studies of the effect of defense on the consumer; timing and spacing of orders for the Army and Navy; conferences of business leaders

Day-to-day studies of the effect of the defense program on the American consumer, aiming to maintain a balance between military and civilian needs in the greatly expanding defense program, form the increasing task of the Consumer Division of the National Defense Advisory Commission in 1941, Miss Harriet Elliott, Commissioner, said this week.

The Division will continue to work closely with the Army and the Navy, utilizing existing research facilities of Government agencies, to make sure that the Defense Commission and the military services constantly have at hand, information on consumer supplies and prices.

As large military orders have been proposed for food, clothing, and other commodities, the Consumer Division has studied the specified quantity, cost, and delivery dates.

Sometimes such studies reveal that the military order would have no ill effect on the consumer market.

In other cases, suggestions for timing and spacing of the orders which did not interfere with military requirements have prevented dislocations such as price increases or shortages to meet civilian needs.

Sheets, socks, razors, mattresses, and coats are but a few of the hundreds of items which have been analyzed in this way during the past 6 months.

### Wool policy

Other Army purchasing policies in which some of the Division's recommendations have been embodied through the Coordinator of Defense Purchases are the relaxation of the requirement that domestic wool be used exclusively in the manufacture of Army goods, and announcement, as far in advance as possible, of military needs for woolen goods.

This will enable manufacturers to plan their purchasing and production to meet both civilian and military requirements.

Recommendations have been made to broaden certain machine specifications for the production of clothing items in order not to take up all the industry's facilities with military orders. For ex-

ample, in a recent purchase of cotton socks, Army specifications required the use of a certain type of machine of which there were only 5600 available in this country. The proposed order, together with previous ones, would have required 45 percent of the total capacity of these machines on an 8 hour, one-shift basis for several months.

It was discovered that if the specifications were broadened slightly, 19,000 machines instead of 5600 would be available and the production capacity which would be utilized for military purposes would be reduced from 45 percent to 13 percent.

Since this change could be made without lessening the quality of the product the recommendation for the alternative specifications was made to the Coordinator of Purchases.

### Speculation in tins

Recently the price of the number 10 size of canned foods increased to a point where it was entirely out of line with the price for the same quantity in smaller cans.

The number 10 size is usually purchased by the Navy, Army, and by other institutional buyers such as hospitals and schools, while the smaller sizes of 2 and 2½ are usually bought by private consumers. Evidence at hand indicated that the reason for the increase was speculative activity in holding stocks of the large size tins.

If this condition were not checked, not only the Army but other large users of canned foods, would face unjustifiable increases in food costs. It was therefore recommended to and accepted by the Quartermaster General that purchase for Army use should, if necessary, be made in the 2 or 2½ size can.

The Division has participated in the formulation of Commission recommendations on plant location, industrial capacity priorities, and similar activities of the Commission and has proposed measures for consumer protection in the course of developing these phases of the defense program.

### Coffee treaty

In the field of hemispheric trade relations, the Consumer Division recommended changes in the proposed Inter-American Coffee Treaty, recently adopted, to safeguard the interests of consumers in this country.

To prevent unwarranted price increases in consumer goods and further promote the steady flow of goods of sustained quality, the Consumer Division has enlisted the cooperation of both buyers and sellers.

A conference was held with merchants representing more than 50 national retailing trade organizations at which the retailers pledged efforts "to prevent so far as possible any unjustifiable rise in retail prices, by urging upon the general trade vigorous opposition to all price increases which appear to be unwarranted and which might cause difficulty to the Government and the consuming public."

The conference elected a Retailers' Advisory Committee which is now engaged in giving effect to this resolution.

Merchants and distributor leaders of 75 wholesale trade groups met with Commissioner Elliott in November and assured her of their cooperation in discouraging "unwarranted advances in wholesale prices."

### Wholesaling committee

They elected a Wholesaling Trades Advisory Committee which has informed the wholesaling industry that "speculation in consumer goods and inventory hoarding under present conditions would adversely affect the national defense program and therefore should be discouraged in every possible manner." The Committee is perfecting machinery to handle problems in the field of wholesaling affecting consumer interests.

Manufacturing trade groups and Better Business Bureaus have also pledged their assistance to the solution of consumer problems arising out of the defense program.

Some months ago, there was a flurry of unwarranted scare advertising which was persuading the public to "buy now and buy more before the price goes up." With the cooperation of the Better Busi-



ness Bureaus in 60 key cities, the Retailers' Advisory Committee, broadcasting stations, and newspapers, this practice has been effectively curtailed.

The services of existing Government agencies have been employed in watching prices, as well as contacts with business concerns having highly organized market reporting machinery.

Since satisfactory price and supply conditions depend upon the cooperation and awareness of buyers as well as sellers, the Division has also enlisted the cooperation of consumer groups throughout the country. As a result of a conference with leaders of national civic organizations last August, channels of communication were established with hundreds of farm groups, labor unions, consumer organizations, immigrant groups, women's clubs, men's service organizations, and other organized civic bodies.

#### Cost-of-living

At the request of the Consumer Division, the United States Bureau of Labor Statistics has expanded its cost-of-living coverage and has speeded up the reporting of information on cost of living and retail prices. On the basis of this data, the Consumer Division issues a semi-monthly bulletin, Consumer Prices, to State and local defense councils and to civic and service organizations described, to assist them in protecting living standards by disseminating factual information on consumer purchasing. This information also will be available twice a month in issues of DEFENSE.

#### Welfare programs

Attention has been directed to reinforcing the home-line front of national defense by encouraging civic organizations to extend educational and welfare activities in their communities. Programs have been suggested for raising nutritional levels, improving family health and effectiveness, building the human defenses of the community as a whole, and the development of a backlog of human skills for emergency service.

With appointment of Federal Security Administrator, Paul V. McNutt as Coordinator of Health, Welfare, and Related Defense Activities, work along these lines has been centralized and will be integrated with the welfare, health, education, and social security functions of the Federal Security Agency.

Recommendations for increased hog production and marketing of beef cattle this season have been made to the Secretary of Agriculture by the National Defense Advisory Commission at the request of the Consumer Division.

## TRANSPORTATION . . .

### Coordinating rail, motor, water, pipeline facilities; request to reduce number of freight cars needing repair to six per cent; survey of warehousing

The Nation's transportation facilities are ready to meet the increased demands expected to be made upon them in 1941 with the speed-up in defense production, Ralph Budd, Commissioner in charge of the Transportation Division of the National Defense Advisory Commission, announced this week.

The problem has been one of coordinating rail, motor, water, and pipeline facilities during the past 6 months.

During the summer Mr. Budd urged the Nation's railroads to reduce to 6 percent the number of freight cars needing repairs as one means of reaching this goal.

In this connection he informed J. J. Pelley, president, Association of American Railroads, that:

"The continued rising trend of carloadings, as indicated by loading of 752,000 cars in the week ended June 29, 1940, accentuates, in my opinion, the need for full performance by all lines of the repair work necessary to reduce cars in bad order to not more than 6 percent, as was agreed. In 1939, you may recall, loadings did not reach present levels until mid-September.

#### Increase of 10,000

"The Car Service Division report of cars awaiting repairs as of June 1, 1940, shows an increase slightly in excess of 10,000 cars in the number awaiting repairs, comparing June 1 with January 1 of this year. The June 15 figures indicate a reduction in the bad-order account compared with June 1 of 7,953 cars. Most of the reduction represents boxcars, there being only 505 less open-top cars awaiting repairs on June 15 as compared with June 1.

"\* \* \* There will undoubtedly be little difficulty involved in reducing to the 6 percent level. \* \* \*

"The railroads as a whole have much at stake in connection with handling of the increased traffic which it appears will be offered, and any failure to do those things which have been agreed upon as necessary may well have results which will be harmful to the industry.

#### "Of sufficient importance"

"Undoubtedly you will think the subject of sufficient importance that you will wish to handle it with the railroads. \* \* \* having more than six percent bad orders and obtain from them a commitment as to their plans. I will be very much interested in the results of such inquiry as you may make, and if I can assist in any way to the end that the desired performance may be had, I will be very glad to act on any suggestions you may wish to make."

Meanwhile, a coordinated warehousing program is being undertaken by the Division.

Under the program, existing warehouse space will be used first. Next, existing buildings suitable for warehouse purposes will be utilized. In emergencies, where private facilities cannot be provided, the Government may have to undertake construction.

A survey of all existing warehouse facilities now available is being made.

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#### CARGO SHIP BIDS

The Maritime Commission has announced that bids have been invited for construction of another group of C-2 type, single screw cargo vessels. Bids may be entered by a contractor on one to four vessels with Diesel propulsion.

The vessels will be 459 feet overall, of approximately 6,100 gross tons, approximately 9,600 deadweight tons, with a designed speed of 15½ knots, and accommodations for eight passengers.

Bids will be opened January 13, 1941, at 12:15 p. m., E. S. T., in Room 7856, Department of Commerce Building, Washington, D. C.

# THE STATES AND CITIES . . .

## 36 State and 700 local defense councils now functioning; coordination of defense effort; increased community problems

A total of 36 States now have advisory councils or coordinators of defense, the Division of State and Local Cooperation announces. Utah's council was the thirty-fifth and Kentucky's the thirty-sixth. In addition, Gov. John Stelle of Illinois has appointed an advisory committee to prepare a plan of operation for an emergency defense council.

About 700 official local defense councils have been reported. While many communities continue to meet new defense responsibilities through established governmental machinery, those in certain defense areas are finding it necessary to set up councils to coordinate efforts to meet increased community problems.

### Recreation, health, and welfare

Recently, the War Department and the Defense Coordinator for Health, Welfare, and Recreation, after reviewing with the Division of State and Local Cooperation the general problems arising in many local communities in the vicinity of military reservations and cantonments, advised the Division that one of the major fields in which they wish cooperation of State and local authorities is that of the development of sound health, welfare, and recreational programs in localities adjacent to military concentrations.

It was specifically requested that the Division suggest to the States in which major cantonments are located, the establishment of local councils of defense designated to coordinate the work of public and private agencies in providing community services which may be required because of these concentrations.

In addition to health, welfare, and recreation, it was noted that other problems of State and local government might be involved in the impact of the defense program in these communities. Traffic control, the provision of highways, sanitation, education and, in general, almost all governmental services may be called upon for special efforts in connection with these situations.

### Industrial problems

The suggestion noted that similar problems might arise out of location or expansion of defense industries in various localities in the several States. In such

communities, it was suggested that local defense councils might be as valuable as in areas of military concentration.

Local councils have conducted surveys of idle plant capacity which the Division has made available to the various branches of the Defense Commission.

In numerous areas throughout the country, State, local, or regional councils are concerned in finding solutions to defense-connected problems of government.

As advisory bodies, these councils submit recommendations or suggestions to the governor or local executive, who places them in the action stream.

A defense council usually consists of the Governor or municipal executive as chairman *ex officio*, an executive vice-chairman, and members appointed by or with approval of the Governor or municipal executive, each member being responsible for a broad functional area in which he or she is especially qualified.

### Usual functions

The following functional areas are recognized in many State and regional councils: (1) Agricultural resources and production; (2) civil protection; (3) health, welfare, and consumer interest; (4) housing, works, and facilities; (5) human resources and skills; and (6) industrial resources and production.

Function of the State, regional, and local councils of defense is to advise the Governor or local executive on problems arising with respect to:

(1) Integration of governmental programs for defense;

(2) Adjustments or arrangements necessary for prompt assimilation of such programs by the administrative establishment;

(3) Proper coordination between the activities of Government and private agencies cooperating in the defense effort.

In areas where it has seemed advisable, a single regional council with an executive officer has been set up to serve two or more counties, cities, or towns, or some combination of local governmental units.

In recognition of the need for Federal—State—local cooperation, the Division of State and Local Cooperation was es-

tablished by the Advisory Commission to the Council of National Defense on August 2, 1940. Its primary purpose is to maintain a two-way channel of information and service in order to facilitate the development of those parts of the defense program in which State and local governments are concerned. It also helps guide defense interests of private organizations and individuals toward effective action.

### Regional meetings

In addition, the Division keeps Governors and State defense councils informed through field consultation, letters, and other informational channels of legislative and other major developments that particularly concern them.

Between November 18 and December 11, the Division held four regional conferences with State defense council executives.

Two conferences on special topics have been held. The first, on November 1, considered public personnel problems in the present emergency.

A conference on fire protection, held November 12, led to the appointment by the Advisory Commission to the Council of National Defense of the Advisory Committee on Defense Fire Protection Problems. This committee, of which Mayor Maurice J. Tobin of Boston is chairman, consists of representatives of local, State, and national agencies, including the Army, Navy, and Department of Agriculture. The committee expects to have ready this month a program of suggestions to State and local governments for defense fire protection.

The Division of State and Local Cooperation must keep in close touch with all aspects of the work of the National Defense Advisory Commission, as well as that of other Federal agencies where it relates to State or local defense activities. This means frequent consultation and development of coordinating devices.

It means assistance on the spot to State and local government confronted with major problems of expanding industrial activity or large military concentrations. Thus the Division has assisted the Virginia Council of Defense and county and municipal governments in developing the Hampton Roads regional defense council to cope with problems in that area. Similarly, the Division is concerned with the problems confronting Charlestown, Ind.; Starke, Fla. (Camp Blanding); Portsmouth, N. H.; and numerous other areas.



# DEFENSE PURCHASES . . .

## Long-range procurement techniques; help for small business in program of subcontracting; award of Army shoe and clothing contracts complete

With the biggest problems of Army and Navy buying solved in award of complete contracts for woolen fabric and shoes, Donald M. Nelson, Coordinator of National Defense Purchases, sets forth techniques in development of long range procurement, emphasizing maintainance of fair prices in military and civilian buying.

As Director of the Office of Small Business Activities, he will continue the program set down for that office of bringing small business into the defense program as subcontractors. In this program, Mr. Nelson works with Federal Reserve System officers who are helping small business get financial aid to assume responsibilities of defense subcontracts.

In 1941 defense production will reach its peak, the facilities of primary contractors will be used to the hilt, and these companies will be looking increasingly to the subcontractor. The general aim, Mr. Nelson explained, is to see that all of America's productive facilities are used to get the materials for defense as soon as possible.

### Warm clothing

During the past 6 months, one of the main objectives of the Defense Commission has been acquiring ample supplies of food and warm clothing for trainees. As early as November 20, bids were invited for substantially all woolen goods to be purchased by the Army and Civilian Conservation Corps during the remainder of the fiscal year.

"After thorough study," Mr. Nelson's announcement read, "it has been decided that elimination of any doubts in the trade about the extent of the national defense requirements for the rest of the fiscal year will have a stabilizing effect on the industry \* \* \* manufacturers of woolen goods can make necessary arrangements to take care of both Government and civilian needs for the next several months with assurance that no further large orders are planned during that time."

"To encourage the widest possible participation of the industry in this business and to prevent development of possible

bottlenecks, the terms of this offering require no deliveries before March and permit manufacturers to spread deliveries at the rate of 20 percent monthly until August 1. This delivery schedule permits the use, to a considerable extent, of wool from the new domestic clip.

### "Rumors exaggerated"

"It is the opinion of Defense Commission officials that the woolen industry can absorb the military purchase program with slight inconvenience to civilian buyers; prevailing rumors of a tight situation in the industry are exaggerated. In support of this, it is pointed out that to date less than half of the industry has even bid on Government business."

Shoeing the prospective soldiers would require 8,200,000 pairs of shoes costing over \$23 million, the Army figured. Late in December, the Defense Commission announced that contract awards for 1,840,000 pairs delivered during the next 5 months, and approximately 1,500,000 pairs to be purchased during the winter would complete the Army's present shoe program of approximately 7 million pairs.

Before announcing the total shoe requirements, a thorough study of the leather requirements of the defense program made apparent ample production facilities and supplies of rawhides. H. M. McAdoo, group executive for leather, estimates that total cattle hide needs under the present program will range from 1,500,000 to 2,000,000 hides.

"Normal commercial demands," he continues, "have ranged from 20 to 22 million hides. With the Nation's capacity estimated at 28 million hides there will be little difficulty in securing this material. Moreover, production capacity in the shoe and leather industries is adequate not only for current defense

needs, but for M-day requirements as well."

### Food procurement

To assist him in solving the problem of food buying, Mr. Nelson, in cooperation with the Quartermaster Corps, set up a Food Procurement Advisory Committee.

A recent meeting of a special committee of the advisory committee, representing the fresh fruit and vegetable industry, pledged "a full measure of support" to the Government's effort to work out efficient food procurement policies.

Principles the Government will follow in food buying were outlined at the meeting: (1) The program should have a minimum impact on the civilian market; (2) the Army needs and welcomes assistance in developing a program making use of the present system of competitive bidding; (3) all available channels, large and small, will be given an opportunity to share in it; (4) full consideration should be given to surplus agricultural commodities, and Army purchasing will, insofar as possible, be coordinated with the Surplus Marketing Administration program; (5) fresh fruits and vegetables should and will be included in Army rations to the extent that they can be procured at prices which will permit their use within the limit of the Government ration allowance provided in established Army regulations.

### Canned goods

On December 9, Mr. Nelson announced that Federal specifications for canned foods are being simplified and brought up-to-date. "Plans are going forward," he said, "to provide for inspection and acceptance of canned foods by Army inspectors before the goods are shipped from factory or warehouse. The effect of the provisions in regard to performance bonds on canners' selling to the Government is being studied. Plans are well under way to provide for purchasing major items in straight carload lots."

Location of food procurement offices in areas where food is sold was recognized as important to efficient buying, and the Army set up regional purchasing offices. A central buying office for West coast products, including canned fruit and canned salmon, will be set up in San Francisco; canned meats, vegetables, and flour will be bought in Chicago; coffee, sugar, tea, spices, preserves, and many manufactured food items will be bought in New York.

(Continued on page 14)

## Purchases . . .

(Continued from page 13)

These offices will receive requisitions from the various Army corps areas, contract for these requirements and arrange for shipments against these contracts. The offices will keep constantly informed of the supply and market prices of the items which they buy. So far as is possible, taking into consideration conditions which affect all Government purchasing, ordinary commercial practices will be followed.

In developing buying techniques for the armed services in 1941, the Coordinator of Defense Purchases follows the announced program of bringing small industries into the defense program through the "split bid" policy, f. o. b. contracts, distributive buying, and through the program of the Small Business Activities Office, working as liaison between the primary contractor and the subcontractor.

"The great majority of these subcontractors," Mr. Nelson says, "have been trained to work in groups around certain primary contractors. The armed services for many years have been engaged in surveying and lining up subcontractors so they might fit into the defense program. We have, therefore, at the present time, groups of skilled subcontractors revolving about certain major contractors. We must make sure that we tap all existing facilities, and that they have access to capital and credit.

### 36 mobilization centers

"We have enlisted the cooperation of the Federal Reserve System, which has appointed one of its officers in each of the 12 Federal Reserve banks and the 24 branch banks to provide points of contact between small business organizations, private bank capital, and representatives of the Army and Navy who know what the armed services require. Thus we have, in effect some 36 mobilization centers where national defense requirements, manufacturing facilities, and bank credits can be brought together and absorbed into the armament program."

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## EXPORTS TO CHINA

The Commerce Department has reported that exports to China showed an increase from \$40,170,000 in the first 10 months of 1939 to \$67,908,000 in the same period of 1940.

## Compilation of contracts cleared and awarded between December 15 and 31

The following is a compilation of contracts cleared by the National Defense Advisory Commission and awarded by the War and Navy Departments between December 15 and 31 in the approximate amount of \$462,800,000.00.

### AIRCRAFT

#### NAVY

Brewster Aeronautical Corporation; airplanes; Long Island City, N. Y.; \$15,160,501.60.  
Grumman Aircraft Engineering Corp.; airplanes; Bethpage, Long Island, N. Y.; \$5,074,650.  
Grumman Aircraft Engineering Corp.; airplanes and spare parts; Bethpage, Long Island, N. Y.; \$30,275,805.15.

### EQUIPMENT AND SUPPLIES

#### ARMY

Allen Squire Co.; 50,000 prs. shoes, service; Spencer, Mass.; \$165,500.  
Allison Engineering Co., Div. of General Motors Corp.; airplane engines; Indianapolis, Ind.; \$69,722,625.50.  
American Glove Co.; 38,000 prs. gloves, leather, heavy; Chicago, Illinois; \$39,420.  
American Mfg. Co.; 150,000 caps, field, serge; New York, N. Y.; \$38,155.91.  
American Woolen Co.; 921,000 yds. cloth, serge, o. d., 18-oz. (dark shade); New York, N. Y.; \$1,004,350.  
American Woolen Co.; 500,000 yds. flannel shirting, o. d., 10½-oz.; New York, N. Y.; \$837,500.  
American Woolen Co.; 921,000 yds. cloth, serge, o. d., 18-oz. (light shade); New York, N. Y.; \$2,455,150.  
American Woolen Co.; 1,655,000 yds. overcoating, o. d., 32-oz.; New York, N. Y.; \$3,821,395.  
Ansin Anwell Shoe Mfg. Co.; 50,000 prs. shoes, service, Athol, Mass.; \$169,000.  
The Bell Co.; 100,000 yds. cloth, serge, o. d., 18-oz., (dark shade); Worcester, Mass.; \$259,700.  
The Bell Co.; 200,000 yds. flannel shirting, o. d., 10½-oz.; \$329,800, Worcester, Mass.  
Bernard-Greenberg Co.; 200,000 caps, field, serge; New York, N. Y.; \$47,500.  
Botany Worsted Mills; 400,000 yds. flannel shirting, o. d., 10½-oz.; Philadelphia, Pa.; \$378,000.  
Bressler Hat & Cap Co.; 100,000 caps, field, serge; New York, N. Y.; \$24,987.50.  
R. W. Briggs & Co., Thos. S. Byrne, Inc., James T. Taylor; *architect and engineers*; Freese & Nichols, Fort Worth, Tex.; Tent Camp, Abilene, Tex. (cost-plus-fixed-fee contract); San Antonio and Fort Worth, Tex.; \$3,978,377.  
Brooklyn Bureau of Charities; 10,000 pillowcases, cotton, bleached; Brooklyn, N. Y.; \$2,150.  
H. H. Brown Shoe Co.; 60,000 prs. shoes, service; Worcester, Mass.; \$205,300.  
Brown Shoe Co., Inc.; 125,070 prs. shoes, service; St. Louis, Mo.; \$412,500.  
Baugh Corp.; *architects and engineers*; Allison & Allison, Los Angeles, Calif.; \*750 bed General Hospital, Santa Barbara, Calif. (negotiated cost-plus-fixed-fee contract); Los Angeles, Calif.; \$1,062,876.  
Cannon Shoe Co.; 50,000 prs. shoes, service; McSherrystown, Pa.; \$168,000.

\*Contracts, not hitherto announced by the National Defense Advisory Commission, which have been cleared by the Defense Commission and awarded by the War Department.

Chippewa Gloves Co.; 90,000 prs. gloves, leather, heavy; Chippewa Falls, Wis.; \$94,077.25.  
Chippewa Falls Woolen Mills, 20,000 yds. overcoating, o. d., 32-oz.; Chippewa Falls, Wis.; \$48,200.  
Clark Equipment Co., Clark Tractor Div.; tractors; Battle Creek, Mich.; \$552,502.48.  
Clear Spring Worsted Mills; 50,000 yds. flannel shirting, o. d., 10½-oz.; Doylestown, Pa.; \$93,580.  
Colonial Woolen Mills Co.; 25,000 yds. overcoating, o. d., 32-oz.; Cleveland, Ohio; \$60,500.  
Craddock-Terry Shoe Corp.; 75,000 prs. shoes, service; Lynchburg, Va.; \$250,500.  
Leslie Colvin, *architects and engineers*; McGuire & Shook, Indianapolis, Ind.; \*1,000 bed General Hospital at Fort Benjamin Harrison, Ind. (negotiated cost-plus-fixed-fee contract); Indianapolis, Ind.; \$1,596,300.  
The Corbitt Co.; \*trucks; Henderson, N. C.; \$1,460,000.  
Dallas Association for Blind; 35,000 pillowcases, cotton, bleached; Dallas, Tex.; \$7,525.  
Daly Bros. Shoe Co.; 50,000 prs. shoes, service; Boston, Mass.; \$170,000.  
Diamond T. Motor Car Co.; trucks; Chicago, Ill.; \$6,311,065.  
W. L. Douglas Shoe Co.; 60,000 prs. shoes, service; Brockton, Mass.; \$205,200.  
Doyle Shoe Co.; 50,000 prs. shoes, service; Brockton, Mass.; \$170,000.  
J. A. Dubow Mfg. Co.; 100,000 prs. gloves, leather, heavy; Chicago, Ill.; \$107,460.  
Durable Uniform Co.; 100,000 caps, field, serge; Asbury Park, N. J.; \$18,500.  
Charles A. Eaton Co.; 175,000 prs. shoes, service; Brockton, Mass.; \$598,500.  
Jos. N. Eisendrath Co.; 200,000 prs. gloves, leather, heavy; Marinette, Wis.; \$266,908.75.  
Jos. N. Eisendrath Co.; 70,000 prs. gloves, horsehide, riding, unlined; Marinette, Wis.; \$102,574.55.  
Jos. N. Eisendrath Co.; 80,000 prs. gloves, horsehide, riding, unlined; Marinette, Wis.; \$144,593.40.  
Ely & Walker Dry Goods; 200,000 neckties, cotton, khaki (washable); St. Louis, Mo.; \$9,360.  
Endicott-Johnson Corp.; 132,000 prs. shoes, service; Endicott, N. Y.; \$413,160.  
Farmington Shoe Mfg. Co.; 50,000 prs. shoes, service; Dover, N. H.; \$172,500.  
Federal Motor Truck Co.; tractor-trucks; Detroit, Mich.; \$3,246,150.  
Fried Ostermann Co.; 100,000 prs. gloves, leather, heavy; Milwaukee, Wis.; \$109,450.  
Freuhauf Trailer Co.; trailers; Detroit, Mich.; \$1,115,096.  
Ford Motor Co.; construction of an aircraft engine factory and magnesium casting foundry at Dearborn, Mich.; Detroit, Mich.; \$21,965,420.43.  
Gera Mills; 500,000 yds. cloth, serge, o. d., 18-oz. (light shade); Passaic, N. J.; \$1,321,500.  
Gera Mills; 200,000 yds. flannel shirting, o. d., 10½-oz. (N. J. Worsted); Passaic, N. J.; \$332,600.  
E. J. Givren Shoe Co.; 50,000 prs. shoes, service; Rockland, Mass.; \$170,500.  
George J. Glover Co., Inc.; *architects and engineers*; Farrot & Reed, New Orleans, La.; General Hospital, New Orleans, La. (negotiated cost-plus-fixed-fee contract); New Orleans, La.; \$1,428,461.

- The Greenfield Tap & Die Corp.; expansion of plant facilities for the production of gages; Greenfield, Mass.; \$1,009,000.
- Guerin Mills, Inc.; 200,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Woonsocket, R. I.; \$532,000.
- Griffin Construction Co., Inc., and MacDougald Construction Co.; *architects and engineers*; Cooper & Cooper, Inc., Atlanta, Ga.; 2,000 Bed General Hospital, Atlanta, Ga. (negotiated cost-plus-fixed-fee contract); Atlanta, Ga.; \$2,433,712.
- Hanover Glove Co., Inc.; 10,000 prs. gloves, leather, heavy; Hanover, Pa.; \$9,157.50.
- The Hanover Shoe, Inc.; 50,000 prs. shoes, service; Hanover, Pa.; \$163,500.
- R. P. Hazzard Co.; 50,000 prs. shoes, service; Augusta, Maine; \$166,500.
- Joseph M. Herman Shoe Co.; 150,000 prs. shoes, service; Boston, Mass.; \$493,000.
- Hill Bros. Co.; 50,000 prs. shoes, service; Hrdson, Mass.; \$162,500.
- Samuel Hird & Sons, Inc.; 150,000 yds. cloth, serge, o. d., 12-oz. (dark shade); Garfield, N. J.; \$337,500.
- L. H. Hoffman; *architects and engineers*; Whitehouse & Church (Portland, Oreg.); 750-Bed General Hospital Vancouver Barracks, Washington (negotiated cost-plus-fixed-fee contract); Portland, Oreg.; \$948,364.
- Holland-Racine Shoes, Inc.; 50,000 prs. shoes, service; Holland, Mich.; \$169,000.
- John C. Heslep, and C. Y. Thomason Co.; *architects and engineers*; Lafayette and Fair (Columbia, S. C.); \*Charleston, South Carolina General Hospital Construction Work (negotiated cost-plus-fixed-fee contract); Columbia and Greenwood, S. C.; \$1,341,316.
- International Shoe Co.; 100,000 prs. shoes, service; St. Louis, Mo.; \$312,000.
- J. A. Jones Construction Co., Inc., Fiske-Carter Construction Co., and Boyle Construction Co.; *architects and engineers*; The Harwood Beebe Co., Spartanburg, S. C.; Replacement Center, Spartanburg, S. C. (negotiated cost-plus-fixed-fee contract); Charlotte, Spartanburg, and Sumter, S. C.; \$6,739,327.
- The Kent Mfg. Co.; 112,500 yds. flannel, shirting, o. d., 10½-oz.; Philadelphia, Pa.; \$186,512.50.
- Krupp Mfg. Co.; 75,000 prs. gloves, leather, heavy; Chicago, Ill.; \$85,122.25.
- Krupp Mfg. Co.; 18,000 prs. gloves, horsehide, riding, unlined; Chicago, Ill.; \$27,563.49.
- Karns-Smith Co.; temporary housing, electric system, roads and surface drainage, water and sanitary sewer systems at Fort Dix, N. J.; Trenton, N. J.; \$1,407,000.
- Leonard & Barrows Shoe Co.; 60,000 prs. shoes, service; Middleboro, Mass.; \$205,200.
- Link Aviation Devices, Inc.; plant expansion construction for increased production of link trainers; Binghamton, N. Y.; \$523,432.
- Lorraine Mfg. Co.; 400,000 yds. cloth, serge, o. d., 18-oz. (light shade); Pawtucket, R. I.; \$1,033,000.
- Lorraine Mfg. Co.; 50,000 yds. flannel, shirting, o. d., 10½-oz.; Pawtucket, R. I.; \$32,500.
- George Mabbett & Sons, Co.; 5,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Plymouth, Mass.; \$12,875.
- The Glenn L. Martin Co.; maintenance parts for airplanes; Baltimore, Md.; \$992,012.74.
- Mayflower Worsted Co.; 36,000 yds. cloth, serge, o. d., 18-oz. (d-light shade); Kingston, Mass.; \$94,320.
- J. F. McElwain Co.; 150,000 prs. shoes, service; Nashua, N. H.; \$468,750.
- Merion Worsted Mills; 100,000 yds. flannel, shirting, o. d., 10½-oz.; W. Conshohocken, Pa.; \$169,035.50.
- Merrimac Mills Co.; 100,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Methuen, Mass.; \$263,301.88.
- Methuen International Mills; 50,000 yds. cloth, serge, o. d., 18-oz. (light shade); Methuen, Mass.; \$131,340.
- Milwaukee Shoe Co.; 50,000 prs. shoes, service; Milwaukee, Wis.; \$170,000.
- P. O'B. Montgomery (*builders-engineers*); emergency construction at Fort Sam Houston, Tex.; Dallas, Tex.; \$1,903,370.
- Montpelier Glove Co.; 40,000 prs. gloves, leather, heavy; Montpelier, Ind.; \$43,780.
- Mack-International Truck Co.; \*tractortrucks, cab over engine; Long Island City, N. Y.; \$3,419,860.
- J. J. McDewitt Co., V. B. Higgins, F. N. Thompson and E. W. Grannis, *architects and engineers*; W. S. Lee Engineering Corp., Charlotte, N. C., and William M. Platt, Durham, N. C.; \*Anti-Aircraft Firing Center, Wilmington, N. C. (negotiated cost-plus-fixed-fee contract); Charlotte, Greensboro, and Fayetteville, N. C.; \$8,612,495.
- Mack International; \*trucks; Long Island City, N. Y.; \$759,200.
- Narrow Fabric Co.; 212,100 laces, breeches, o. d., vat dyed; Reading, Pa.; \$2,452.72.
- New York Association for Blind; 10,000 pillowcases, cotton, bleached; New York, N. Y.; \$2,150.
- Northwest Glove Co., Inc.; 100,000 prs. gloves, leather, heavy; Winona, Minn.; \$110,880.
- Olympic Glove Co.; 430,000 prs. gloves, leather, heavy; New York, N. Y.; \$417,931.73.
- Overbrook Mills; 25,000 yds. flannel, shirting, o. d., 10½-oz.; Philadelphia, \$42,033.75.
- Owen-Ames-Kimball Co.; temporary buildings and hospital, Fort Custer, Mich.; Grand Rapids, Mich.; \$1,383,140.
- Paragon Worsted Co.; 50,000 yds. cloth, serge, o. d., 18-oz. (light shade); Providence, R. I.; \$133,525.
- Pratt & Whitney Div. Niles-Bement-Pond Co.; expansion of plant facilities for the production of gages; Hartford, Conn.; \$1,140,000.
- Premier Worsted Mills; 300,000 yds. cloth, serge, o. d., 18-oz. (light shade); Boston, Mass.; \$794,400.
- Wm. H. Prendergast Mills; 25,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Chepachet, R. I.; \$66,375.
- Wm. H. Prendergast Mills; 25,000 yds. cloth, serge, o. d., 18-oz. (light shade); Chepachet, R. I.; \$66,875.
- Providence Brad Co.; 212,100 laces, breeches, o. d., vat dyed; Pawtucket, R. I.; \$2,203.29.
- Prudential Worsted Co.; 190,000 yds. cloth, serge, o. d., 18-oz. (light shade); Philadelphia, Pa.; \$507,870.
- Prudential Worsted Co.; 100,000 yds. flannel, shirting, o. d., 10½-oz.; Philadelphia, Pa.; \$168,300.
- Queensland Woolen Corp.; 66,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Cornma, Maine; \$173,268.62.
- Ray Bros. Glove Co.; 50,000 prs. gloves, horsehide, riding, lined; Chicago, Ill.; \$87,281.25.
- Ray Bros. Glove Co.; 50,000 prs. gloves, leather, heavy; Chicago, Ill.; \$44,333.75.
- Raylaine Worsteds, Inc.; 200,000 yds. cloth, serge, o. d., 18-oz. (light shade); Lowell, Mass.; \$519,480.
- Raylaine Worsteds, Inc.; 50,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Lowell, Mass.; \$133,366.50.
- Reinhart Mitten Co.; 10,000 prs. gloves, horsehide, riding, unlined; Milwaukee, Wis.; \$15,372.75.
- Reinhart Mitten Co.; 25,000 prs. gloves, leather, heavy; Milwaukee, Wis.; \$26,243.13.
- Rice-Stix Dry Goods Co.; 200,000 neckties, cotton, khaki (washable); St. Louis, Mo.; \$9,900.
- Rose Neckwear Co.; 600,000 neckties, cotton, khaki (washable); Philadelphia, Pa.; \$33,369.10.
- S. Rosenbloom, Inc.; \*600,000 covers, mattresses; Baltimore, Md.; \$586,956.38.
- Shapely Cap Co.; 100,000 caps, field, serge; St. Louis, Mo.; \$23,880.
- Sheffield Gage Corp.; expansion of plant facilities for the production of gages; Dayton, Ohio; \$910,000.
- Shelby Shoe Co.; 50,000 prs. shoes, service; Salem, Mass.; \$170,500.
- Simon Mauress Mfg. Co.; 2,011 bags, sleeping, M-1940; San Francisco, Calif.; \$20,944.16.
- J. L. Simmons Co., Inc., and J. C. O'Conner & Sons, Inc.; *Architect and Engineer*; Russ & Harrison, Indianapolis, Ind.; Facilities at Ordnance Proving Ground, Madison, Ind. (cost-plus-fixed-fee contract); Indianapolis and Fort Wayne, Ind.; \$2,183,770.
- Southern Worsted Corp.; 100,000 yds. cloth, serge, o. d., 18-oz. (light shade); Greenville, S. C.; \$264,800.
- J. P. Stevens & Co., Inc.; 50,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Peace Dale, R. I.; \$132,500.
- J. P. Stevens & Co., Inc.; 40,000 yds. cloth, elastique, o. d., 18-oz.; New York, N. Y.; \$109,520.
- Stillwater Worsted Mills; 200,000 yds. cloth, serge, o. d., 18-oz. (light shade); Harrisville, R. I.; \$527,000.
- Stillwater Worsted Mills; 20,000 yds. cloth, elastique, o. d., 18-oz.; Harrisville, R. I.; \$55,000.
- Taft-Peirce Manufacturing Co.; expansion of plant facilities for the production of gages; Woonsocket, R. I.; \$400,000.
- 20th Century Glove Co.; 64,000 prs. gloves, leather, heavy; Marinette, Wis.; \$60,496.
- Uxbridge Worsted Co.; 500,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Uxbridge, Mass.; \$1,309,000.
- Verdun Mfg. Co.; 50,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Woonsocket, R. I.; \$129,000.
- A. G. Walton & Co., Inc.; 50,000 prs. shoes, service; Chelsea, Mass.; \$169,500.
- Waucautuck Mills; 150,000 yds. cloth, serge, o. d., 18-oz. (light shade); Uxbridge, Mass.; \$390,004.61.
- Weyenberg Shoe Mfg. Co.; 53,000 prs. shoes, service; Milwaukee, Wis.; \$175,930.
- Wm. Whitman Co., Inc.; 1,250,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Lawrence, Mass.; \$3,248,750.
- Wm. Whitman Co., Inc.; 350,000 yds. flannel, shirting, o. d., 10½-oz.; Lawrence, Mass.; \$578,550.
- Willys-Overland Motors, Inc.; trucks—1½ ton reconnaissance; Toledo, Ohio; \$1,424,115.
- Wisconsin Mfg. Co.; 30,000 prs. gloves, leather, heavy; Milwaukee, Wis.; \$32,810.
- Worcester Textile Co.; 50,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Greystone, R. I.; \$131,967.
- Wyandotte Worsted Co.; 300,000 yds. overcoating, o. d., 32-oz.; Pittsfield, Mass.; \$696,250.
- Yellow Truck & Coach Mfg. Co.; \*trucks; Pontiac, Mich.; \$571,722.12.
- Yellow Truck & Coach Mfg. Co.; \*trucks; Pontiac, Mich.; \$31,718,137.50.
- Yorkshire Worsted Mills; 25,000 yds. cloth, serge, o. d., 18-oz. (dark shade); Chester, Pa.; \$66,000.

## NAVY

- The Cudahy Packing Co.; shortening, vegetable; Chicago, Ill.; \$792,865.75.
- Dinwiddle Construction Co.; aviation facilities at the Naval Reserve Aviation Base, Oakland, Calif. (cost-plus-fixed-fee basis); San Francisco, Calif.; \$700,000.
- The Geo. Hymen Construction Co.; housing facilities at Alexandria, Va.; Washington, D. C.; \$850,000.
- The Kaiser Co.; shore facilities at the navy yard, Mare Island, Calif.; Oakland, Calif.; \$3,300,000.
- Maxon Construction Co., Inc.; construction of East Coast Ammunition Depot at Burns City, Ind.; Dayton, Ohio; \$2,500,000.
- Leonard Construction Co.; housing facilities at Coco Solo and Balboa, C. Z.; Chicago, Ill.; \$4,221,000.

## ORDNANCE EQUIPMENT

## ARMY

- Procter & Gamble; ammunition loading plant at Milan, Tenn.; Cincinnati, Ohio; \$14,000,000.
- Revere Copper & Brass, Inc.; \*Ammunition components; Baltimore, Md.; \$764,480.44.
- Stardard Pressed Steel; ammunition components; Jenkintown, Pa.; \$1,696,412.
- Trojan Powder Co.; TNT plant at Sandusky, Ohio; Allentown, Pa.; \$11,000,000.

## Priorities . . .

(Continued from page 2)

action as he may deem appropriate in order to obtain, with the cooperation of industry, the materials in question on schedule.

ART. 6. In the event of inability by the Administrator to resolve a conflict in this manner, he shall issue, pursuant to the said section 2 (a), an order to the appropriate contractor or subcontractor directing such person to grant priority to delivery of the materials required over other deliveries for private account or for export. If such person refuses to comply with such order, the case will be referred to the Attorney General for appropriate action.

## PART III—THE BOARD

ARTICLE 1. The Board shall establish policies for the handling of priorities with respect to Government departments, offices, and agencies, private parties or foreign governments, after due consultation with the governmental departments, offices and agencies concerned with the procurement, production, processing or exportation of materials. The activities of the Administrator shall be governed by such policies and such other action as may be taken by the Board.

ART. 2. The Board shall examine any matter presented to it by the Administrator in accordance with article 2 of part IV of these rules and regulations and shall refer the same to the President with specific recommendations.

ART. 3. The Board may create such subcommittees as it may consider desirable in the interest of the national defense to advise and recommend to the Board the formulation of policies for the handling of priorities in relation to the procurement, production, processing or exportation of materials.

ART. 4. With respect to departments, offices, and agencies of the Government, vested with authority to issue priority orders or preference ratings, the Board, acting through the Administrator, may recommend to such departments, offices, and agencies policies to be followed by them in the exercise of such authority.

ART. 5. The Board shall on the first day of every month, submit a report to the President, setting forth the action which it has taken pursuant to these rules and regulations and making such specific recommendations for further action, legislative or otherwise, as it deems desirable in the interest of the national defense.

## PART IV—THE ADMINISTRATOR

ART. 1. The Administrator may modify the procedures referred to in Articles 1 (except for procedures pertaining to the adoption or amendment of the Directive), 2, 3, and 4 of part II of these rules and regulations for the assignment of preference ratings to War and Navy contracts and subcontracts and for notifying the Administrator of cases requiring adjustments, or he may institute new procedures for so doing. The Administrator may provide for the assignment of preference ratings to prime contracts for materials placed by other governmental departments, offices, and agencies and to related subcontracts and to contracts for materials and related subcontracts placed by private persons or by foreign governments, and he may provide methods for effecting adjustments in such cases with the voluntary cooperation of industry.

ART. 2. The Administrator shall be afforded full opportunity by the War and Navy Departments and other governmental departments, offices, and agencies concerned with the procurement, production, processing, or exportation of materials essential to the national defense to determine from time to time whether their activities in this connection are consistent with policies determined by the Board. The Administrator shall be afforded full opportunity by any other governmental departments, offices, and agencies, vested with authority to issue preference ratings or priority orders, to determine from time to time whether their activities in this connection are consistent with policies recommended by the Board pursuant to article 4 of part III of these rules and regulations. Where inconsistencies are found to exist and he is unable to settle the same in a manner satisfactory to the head of the department, office, or agency concerned, the Administrator shall present the matter to the Board for action in accordance with article 2, part III of these rules and regulations.

ART. 3. Contacts, with respect to priorities, between governmental departments, offices and agencies and between them and industry, except as provided for in Articles 1, 2, 3, and 4 of Part II and as may be provided for pursuant to Article 3 of Part III of these Rules and Regulations and as may be or has been otherwise provided for pursuant to any Act of Congress or Executive Order, shall be made through the Administrator. In the administration of priorities he is authorized to utilize the services of any person or division connected with the Advisory Commission to the Council of Na-

tional Defense and any person or agency designated by the War or Navy Departments for the purpose.

ART. 4. Whenever the Administrator finds that the disposition of any matter requiring action by him would or is likely to necessitate the determination of a policy not theretofore established by the Board, the Administrator shall first refer the matter to the Board, and after the Board shall have determined the policy to be followed, the Administrator thereupon shall proceed to dispose of the matter in accordance with such policy.

ART. 5. The Administrator shall make periodic reports to the Board with respect to his activities pursuant to these Rules and Regulations.

## Contracts . . .

(Continued from page 15)

### NAVY

Bausch & Lomb Optical Co.; ordnance machine tools; Rochester, N. Y.; \$512,000.  
Carnegie-Illinois Steel Corp.; ordnance—building, machine tools and other equipment, South Charleston, W. Va.; \$45,000,000.  
Goss Printing Press Co.; ordnance—building and equipment; Chicago, Ill.; \$505,490.  
Northern Pump Co.; ordnance—building, machine tools, and other equipment; Minneapolis, Minn.; \$3,473,297.  
Northern Pump Co.; ordnance—building, machine tools, and other equipment; Minneapolis, Minn.; \$2,000,000.  
Norris Stamping & Mfg. Co.; containers, cartridge; Los Angeles, Calif.; \$1,006,205.  
Pollak Mfg. Co.; containers, powder and cartridge; Arlington, N. J.; \$515,440.80.

### SHIP CONSTRUCTION AND REPAIR

### NAVY

Consolidated Shipbuilding Corp.; hull and fittings for submarine chaser; Morris Heights, New York, N. Y.; \$2,825,000.  
Defoe Boat & Motor Works; hull and fittings for submarine chasers; Bay City, Mich.; \$5,941,200.  
Dravo Corp.; hull and fittings for submarine chasers; Pittsburgh, Pa.; \$3,447,000.  
George Lawley & Son Corp.; hull and fittings for submarine chasers; Neponset, Mass.; \$1,500,000.  
Leathem Smith Coal & Shipbuilding Co.; hull and fittings for submarine chasers; Sturgeon Bay, Wis.; \$600,000.  
Sullivan Dry Dock & Repair Corp.; hull and fittings for submarine chasers; Brooklyn, N. Y.; \$1,140,000.

### MISCELLANEOUS

### ARMY

American Brass Co.; \*brass disks; Waterbury, Conn.; \$644,393.75.  
Curtiss-Wright Corporation, Curtiss Propeller Division; propeller assemblies and control sets; Clifton, N. J.; \$63,202,820.65.  
Eastman Kodak Co.; fire-control equipment; Rochester, N. Y.; \$3,710,016.87.  
Fairchild Aviation Corp.; cameras, cone, and magazine assemblies; Jamaica, N. Y.; \$516,474.  
Gar Wood Industries, Inc.; \*reel unit and gasoline engines; Detroit, Mich.; \$909,834.40.  
Link Aviation Devices, Inc.; link trainers; Binghamton, N. Y.; \$4,097,412.  
Ritter Dental Mfg. Co.; \*dental equipment; Rochester, N. Y.; \$546,433.

### NAVY

DeLaval Steam Turbin Co.; pumps; Trenton, N. J.; \$1,350,000.

# DEFENSE

★ OFFICIAL BULLETIN  
★ of the NATIONAL DEFENSE  
★ ADVISORY COMMISSION  
★ Washington, D. C. Issued Weekly  
★ JAN. 14, 1941 • VOL. 2, NO. 2

## Summary of the Week in Defense

Legislation to enable conversion of the United States into an arsenal for Democracy was placed before Congress January 10. The bill contains no appropriations, but would authorize:

1. Sale, lease, loan, or other disposition of war materials to "any country whose defense the President deems vital to the defense of the United States."

2. Testing, repairing, and outfitting of any defense article of a friendly belligerent.

3. Manufacture of war materials for friendly foreign governments in Government-owned and privately owned arsenals, factories, and shipyards.

4. Communication to any friendly government of any information pertaining to any defense article actually furnished to that government, including designs, blueprints, and information for using the equipment.

5. The release of any defense article for export, eliminating restrictions in the Espionage Act of 1917 and the Embargo Act of 1940.

It was emphasized in a joint statement by Senate and House majority leaders that the bill would not authorize use of American vessels to deliver war materials to combat areas.

### Fleet reorganization

The President directed reorganization of the United States fleet and ordered warships manned at war strength. The reorganization, which takes place February 1, provides that the Navy will be divided into three fleets—the Atlantic, the Pacific, the Asiatic, each under a commander in chief.

Rear Admiral H. E. Kimmel will command the Pacific fleet with the additional title and duty as commander in chief of the United States Fleet. Rear Admiral Ernest J. King will command

(Continued on page 16)

## Establishment of Division of Defense Housing by Executive Order

By Executive Order of the President, dated January 11, 1941, a Division of Defense Housing Coordination has been established within the office for Emergency Management of the Executive Office of the President. Mr. Charles Palmer, who was appointed coordinator of the new defense housing organization, shall perform his duties and functions under the direction and supervision of the President, and shall report to the President through the Liaison Officer for Emergency Management.

By Executive Order, the new duties of the coordinator were set up as follows:

(A) Establish and maintain liaison between the several departments and establishments of the Government, and such other public or private agencies as may seem necessary to the Coordinator, to facilitate proper coordination and efficiency in the provision of housing facilities, essential to the national defense.

(B) Anticipate the need for housing in national defense areas, analyze re-

ported defense housing needs, coordinate studies and surveys of Federal housing agencies, and facilitate the full use of existing housing accommodations.

The term "Federal housing agency" as used in this order shall include all executive departments and independent agencies, including corporations in which the United States owns all or a majority of the stock, either directly or indirectly, which:

(a) Plan, construct, or operate defense housing facilities.

(b) Grant loans or subsidies for public housing purposes.

(c) Encourage or assist the financing or construction of private housing.

(d) Conduct surveys or analyses of housing conditions and housing markets.

(C) "Formulate and recommend to the President coordinated defense housing programs with the objective of avoiding shortages, delays, duplication, and overlapping in defense housing; and advise each Federal housing agency of its part in each proposed program.

(D) "Facilitate the execution of approved housing programs through private industry or through appropriate governmental agencies, and take appropriate steps to eliminate obstacles which impede the expeditious provision of defense housing.

(E) "Advise with private and Federal agencies in the formulation of plans, terms, rental and management policies, and other factors involved in developing and operating approved defense housing projects.

(F) "Review proposed or existing legislation relating to or affecting defense housing activities and recommend such additional legislation as may be necessary or desirable to assure the effective and expeditious provision of adequate housing facilities for persons engaged or to be engaged in defense activities."

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# DEFENSE

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## NATIONAL DEFENSE ADVISORY COMMISSION

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NELSON ROCKEFELLER, *Coordinator of Commercial and Cultural Relations Between the American Republics.*

In the January 7 issue of DEFENSE, page four, column three, it was stated that "arrangements have been made \* \* \* for the shipment of large quantities of pig iron from the British Isles to the United States. This was a misstatement. The words "pig iron" should have read "coke".

## From the Office of Production Management: A Statement—"surpassing urgency"

The following statement was issued by the membership of the Office of Production Management:

The task which confronts the Office of Production Management is one not only of critical importance but also one of surpassing urgency.

The President has said that the United States must become the arsenal of democracy. To create such an arsenal and to establish and maintain production that will insure its efficiency and adequacy require far more than we, who are charged with its management, can provide. We promise all that we have to the fulfillment of this order from our Commander in Chief, but all that we have will be far from sufficient.

We shall have need of the active, aggressive, and enthusiastic cooperation of every man, woman, and child in the United States if we are to make this arsenal in America adequate to the successful defense of democracy and freedom. This can only mean that in the immediate future everything in our national life must be subordinated to the necessity for defense.

Industry must subordinate its concern over the possible future effects of tremendous immediate expansion. It must be satisfied with a normal return for new capital required. If there is in industry and management anywhere a subconscious, unexpressed hope for wartime profits, that must be sternly repressed. If there are those who think they can employ this emergency for any selfish advantages, they must dismiss such thoughts. Democracy is fighting for its very life in its struggle to retain the principles of a free economic system.

In any successful defense program the active, intelligent, and patriotic cooperation of the men who man the machines is vital. Laws now in effect make secure the principle of collective bargaining and throw about the interests of the workman adequate protection. Labor must know that under the administration of the Office of Production Management no sacrifices will be asked of it that will not be matched by a corresponding sacrifice on the part of capital, but just as it is intolerable for capital to seek a selfish advantage by reason of the present emergency, so must labor avoid any attempt to make improper use of its position in the present world-wide emergency; the whole principle of collective

The Office of Production Management:

William S. Knudsen, director general; Sidney Hillman, associate director general; members: Secretary of War Henry L. Stimson and Secretary of the Navy Frank Knox.

Within the Office of Production Management are the following and such other operating agencies as the President may from time to time determine: Division of Production, John D. Biggers, director; Division of Purchases, Donald M. Nelson, director; and Division of Priorities, Edward R. Stettinius, Jr., director.

bargaining and the rights of labor under our system of government and economy are being challenged.

If the totalitarian forces of the world are victorious, all the hard-won rights of labor will be destroyed and both capital and labor will become the involuntary vassals of an all-powerful State. Labor has as great a stake in this crisis as capital, and both must work together harmoniously if the United States is to make its contribution to a democratic victory in the world.

To achieve the results which the country expects from the Office of Production Management, we expect and must have the kind of cooperation from everybody that counts no sacrifice too great to make if it will contribute to a more successful and a more efficient defense. It is this spirit which we seek to invoke, and it is in a similar spirit that we undertake this great task which the Commander in Chief has committed to our hands.

★ ★ ★

## Construction of tank arsenal is proceeding on schedule

Heavy snowstorms and low temperatures, usually serious handicaps in structural-steel operations, have failed to retard progress on construction of the tank arsenal being built by the Chrysler Corporation at Detroit, Mich., and work is proceeding on schedule, the Secretary of War announces.

The arsenal, the largest of its type in the world, is expected to cost \$20,000,000. The War Department already has placed an order for 1,000 twenty-five-ton tanks at an estimated cost of \$33,500,000.

## Text of Executive Order establishing the Office of Production Management

By virtue of the authority vested in me by the Constitution and the statutes, and in order to define further the functions and duties of the Office for Emergency Management with respect to the national emergency as declared by the President to exist on September 8, 1939, and to increase production for the national defense through mobilization of material resources and the industrial facilities of the Nation, it is hereby ordered:

1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Production Management which shall consist of (1) a Director General and (2) an Associate Director General, each to be appointed by the President; (3) the Secretary of War; and (4) the Secretary of the Navy. The members shall serve as such without compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of their duties.

2. With such advice and assistance as it may require from other departments and agencies of the Federal Government, and subject to such regulations or directions as the President may from time to time prescribe, and subject further to the general policy that the Departments of War and Navy and other departments and agencies of the Government will be utilized to the maximum extent compatible with efficiency, the Office of Production Management shall:

A. Formulate and execute in the public interest all measures needful and appropriate in order (1) to increase, accelerate, and regulate the production and supply of materials, articles, and equipment and the provision of emergency plant facilities and services required for the national defense, and (2) to insure effective coordination of those activities of the several departments, corporations, and other agencies of the Government which are directly concerned therewith.

B. Survey, analyze, and summarize for purposes of coordination the stated requirements of the War and Navy and other departments and agencies of the Government, and of foreign governments for materials, articles, and equipment needed for defense.

C. Advise with respect to the plans and schedules of the various departments

and agencies for the purchase of materials, articles, and equipment required for defense, to coordinate the placement of major defense orders and contracts, and to keep informed of the progress of the various programs of production and supply.

D. Plan and take all lawful steps necessary to assure the provision of an adequate supply of raw materials essential to the production of finished products needed for defense.

E. Formulate plans for the mobilization for defense of the production facilities of the Nation, and to take all lawful action necessary to carry out such plans.

F. Determine the adequacy of existing production facilities and to assure their maximum use; and, when necessary, to stimulate and plan the creation of such additional facilities and sources of production and supply as may be essential to increase and expedite defense production.

G. Determine when, to what extent, and in what manner priorities shall be accorded to deliveries of material as provided in section 2 (A) of the act entitled "An Act To Expedite National Defense and for Other Purposes," approved June 28, 1940. Deliveries of material shall take priority, as provided in said act, in accordance with such determinations and the orders issued in pursuance thereof by the Office of Production Management.

H. Perform the functions and exercise the authorities vested in the President by section 9 of the Selective Training and Service Act of 1940.

I. Serve as the liaison and channel of communication between the Advisory Commission to the Council of National Defense and the Departments of War and Navy with respect to the duties imposed upon the Commission by the following-named acts, and with respect to all other matters pertaining to defense purchasing and production: Public, Nos. 667, 781, 800, and 801, and Public Resolution No. 95, Seventy-sixth Congress.

J. Perform such other functions as the President may from time to time assign or delegate to it.

3. The Director General, in association with the Associate Director General, and serving under the direction and supervision of the President, shall discharge and perform the administrative

responsibilities and duties required to carry out the functions specified in paragraph 8, subject to and in conformity with the policies and regulations (not inconsistent with such regulations as may be issued by the President) prescribed by the Office of Production Management.

4. There shall be within the Office of Production Management the following and such other operating divisions as the President may from time to time determine:

A. A Division of Production.

B. A Division of Purchases.

C. A Division of Priorities.

Each division of the Office of Production Management shall be in charge of a director appointed by the Office of Production Management with the approval of the President.

5. There shall be within the Office of Production Management a Priorities Board composed of six members. A chairman and three other members shall be appointed or designated by the President; the Director General and Associate Director General shall be members ex officio. The Priorities Board shall serve as an advisory body and, from time to time as may be required by the Office of Production Management, shall make findings and submit recommendations with respect to the establishment of priorities, the placing of mandatory orders, the assignment of preference ratings, the allocation of deliveries, and other related matters. In making its findings and recommendations, the Priorities Board shall take into account general social and economic considerations and the effect the proposed actions would have upon the civilian population.

6. Within the limits of such funds as may be allocated to it by the President on the recommendation of the Bureau of the Budget, the Office of Production Management may employ necessary personnel and make provision for the necessary supplies, facilities, and services. However, the Office of Production Management shall use insofar as practicable such statistical, informational, fiscal, personnel, and other general business services and facilities as may be made available through the Office for Emergency Management or other agencies of the Government.

7. Executive Order No. 8572 of October 21, 1940, as amended by Executive Order No. 8612 of December 15, 1940, is revoked.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 7, 1941.

## Announcement of appointments to the staff of the Division of Priorities

E. R. Stettinius, Jr., director of the Division of Priorities of the office of production management, has announced the following appointments to his executive staff:

James F. Towers, assistant director in charge of administration. Mr. Towers is executive vice president of Ford, Bacon & Davis, Inc., New York City, industrial engineers.

Blackwell Smith, assistant director in charge of staff activities. Mr. Smith was associated with Mr. Stettinius in the Industrial Materials Division of the National Defense Advisory Commission.

### Industry committees

Charles E. Adams, who will organize the activities of the various industry committees which will be appointed from time to time. Mr. Adams served as special consultant to the Industrial Materials Division of the National Defense Advisory Commission and is on leave from his position as President of the Air Reduction Corporation.

A. C. C. Hill, Jr., deputy director. Mr. Hill was connected with the Office of the Coordinator of National Defense Purchases and later served as Acting Deputy Administrator of Priorities under the old Priorities Board.

Isador Lubin, consultant to the Labor Division of the National Defense Advisory Commission, has been appointed labor consultant to Mr. Stettinius.

Mr. Stettinius also announced establishment of the minerals and metals priority section of the Division of Priorities, with Dr. Ernest M. Hopkins, president of Dartmouth College, as executive officer. Dr. Hopkins served during the World War as assistant to Secretary of War Baker, in charge of Industrial Relations.

### Iron and steel

Dr. Hopkins also will serve as chairman of the advisory industry committees which will be appointed from time to time under the minerals and metals section. First such industry group to be established is the iron and steel priorities committee, with the following members:

Walter Tower, president of the American Iron and Steel Institute, representing the industry; Carl Conway, chairman of the board of the Continental Can Co., representing industrial consumers; Capt. Paul Hendron, representing the Navy,

and Lt. Col. Hugh C. Minton, representing the Army.

It is contemplated that other sections, in addition to Minerals and Metals, will be established to supervise priorities in chemicals, commercial aircraft, tools and equipment, and general products. Industry advisory committees will be established under each of these sections.

Provisions have been made for the appointment of a labor consultant to each of these sections.

The Priorities Board members are Mr. Stettinius, chairman; John D. Biggers, director of the Division of Production of the Office of Production Management; Donald M. Nelson, director of the Division of Purchases; and Leon Henderson, Price Stabilization Commissioner, National Defense Advisory Commission. William S. Knudsen, director general of the Office of Production Management, and Sidney Hillman, associate director general, are ex officio members.

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## Expansion of Army Air Corps—goal will be near attainment within a year after planning

The War Department announces that the Army Air Corps expansion program, as planned early in 1940, has moved rapidly forward.

On June 30, 1940, the Army Air Corps consisted of 3,322 Regular Army and Reserve officers, 1,894 flying cadets, and 45,914 enlisted men. At that time a definite goal for expansion had been set, namely an Air Force of 54 combat groups. At that time there were 16 skeleton groups and wings. On December 18, 1940, four Air District Headquarters were activated, together with 14 additional Wing Headquarters, which will care for assignment of all personnel and planes in the 54-group program. All other groups, not already activated, will be ordered into being January 15, 1941, to be formed from existing Regular Army units.

The complete personnel allotment under the 54-group program is approximately 16,000 officers and 166,000 enlisted men; and it is expected that by June 30, 1941, 10,100 officers and 15,000 flying cadets and 151,000 enlisted men will be in the Air Corps, the goal almost attained within 1 year.

## Letter from William S. Knudsen to manufacturers and text of the poster to be displayed

The following letter has been sent to 10,556 plants working on defense contracts:

"The office of production management has prepared the enclosed poster which, with your approval, we desire placed on the bulletin board of your plants. You will observe that there is no signature to the poster, the space having been purposely left for the signature on your management.

"We will appreciate your cooperation in this matter. We are very desirous of having this strong appeal by the President of the United States before the men in your plants.

"Very truly yours,

"THE OFFICE OF  
PRODUCTION MANAGEMENT,  
"W. S. KNUDSEN,  
Director General."

The poster reads as follows:

TO ALL DEFENSE WORKERS \* \* \*

The President of the United States said:

"I appeal \* \* \*  
"to the owners of plants,  
"to the managers,  
"to the workers,  
"to our own Government employees,  
"to put every ounce of effort into producing these munitions swiftly and without stint. And with this appeal I give you the pledge that all of us who are officers of your Government will devote ourselves to the same wholehearted extent to the great task which lies ahead.

"We must be the great arsenal of democracy. For us this is an emergency as serious as war itself. We must apply ourselves to our task with the same resolution, the same sense of urgency, the same spirit of patriotism and sacrifice as we would show were we at war."

\* \* \*

Let's get squarely behind our President's appeal.

\* \* \*

Let's work together building that "GREAT ARSENAL OF DEMOCRACY" in record time.

\* \* \*

Increase PRODUCTION!—That's our No. 1 job!

Let's go!



# LABOR DIVISION . . .

## Government vocational courses will train more than 500,000 for defense work in the next 10 months—Dr. Reeves' report

More than half a million Americans will be trained for defense jobs in Government vocational courses within the next 10 months in a Nation-wide job-training program designed to anticipate defense labor supply needs, Dr. Floyd W. Reeves, executive assistant to Sidney Hillman, in charge of the Labor Supply Section, announces.

This is one part of the two-way program for labor training under Mr. Hillman's supervision, the other being the training-within-industry program.

Mr. Reeves' principal task is coordination of the vast existing governmental facilities for education. His associate in this work is Dr. Will H. Alexander, who left his post as head of the Rosenwald Foundation to come to Washington.

### Seven agencies

Seven Government agencies, in addition to the War and Navy Departments, are cooperating in this program. These are the United States Office of Education, the Work Projects Administration, the United States Civil Service Commission, the Federal Committee on Apprenticeship, the Bureau of Employment Security, National Youth Administration, and the Civilian Conservation Corps.

The number of men available and the kind of work they could do was known at almost the same time as the defense program began because these offices had made a Nation-wide inventory in April 1940. At that time there was a reserve of 5,100,000 workers available for employment. By the end of June the active files of public employment offices contained the work histories of 5,735,000 workers.

### 2 million placements

By the end of November the number of unemployed had declined to 4,567,000, and during the period from June through November the Public Employment Office made over 2 million job placements.

Before defense contracts could be allocated and new plant sites selected it was necessary to know whether or not there was adequate labor supply in the

area. This demand was for more than a mere list of unemployed. It called for specific information on the kinds of unemployed men in the area. The Public Employment Service now has drawn up classifications for more than 500 defense jobs which enable them to immediately classify the kinds of work a man can do.

Through the Public Employment Service a constant check is kept on the Nation-wide supply of labor. There is close cooperation between Public Employment Service and the vocational education program. All unemployed students in defense schools are required to register at public employment offices.

### Anticipate needs

To anticipate local labor needs the Employment Service is now sending its representatives once a month into all factories having defense contracts. These representatives ask employers to state their anticipated labor requirements for the ensuing 60 days.

In June 1940 Congress appropriated \$15,000,000 to the Office of Education for vocational defense training programs. The training courses now run by this agency are for (1) unemployed workers referred by WPA or by the local employment service offices, to refresh and improve their skill, and (2) employed workers referred by employers and local union groups to prepare themselves for up-gradings in industry.

These programs were started on June 1, 1940, and through October 31, 1940, a total of 242,000 persons had been enrolled with more than 600 cities cooperating.

### Further funds

An additional \$26,000,000 was made available by Congress during the summer for these programs. An appropriation of \$8,000,000 authorized the purchase and rental of equipment and \$9,000,000 was allotted for college engineering courses. Another \$10,000,000 went for courses for out-of-school youth, and \$7,500,000 went for courses for youth on NYA projects.

WPA workers may receive their regular wages for time spent in training for manual occupations under an act of Congress passed in June 1940. From July 1, 1940 to November 30, 1940, a total of 49,974 WPA workers had been enrolled in these courses.

The National Defense Advisory Commission is sponsoring at WPA project to train approximately 5,750 needy persons in the manual occupations of aviation ground servicemen.

### Arsenal labor

The United States Civil Service Commission is performing a vitally important function in recruiting labor for the manufacturing arsenals of the War and Navy Departments.

The Federal Committee on Apprenticeship has increased its program, and at the present time 145 plants have apprentice programs.

The number of young people on out-of-school NYA projects increased from approximately 250,000 in September 1940, to almost 340,000 on December 28, 1940. All of these young people are taking defense training courses.

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## Plan to utilize idle tools and manpower in three rural Virginia counties

A detailed plan to utilize idle tool and manpower in three Virginia counties for the defense program has been laid before the National Defense Advisory Commission by the Shenandoah Valley Defense Council, Morris L. Cooke, attached to the staff of Sidney Hillman, Commissioner in charge of the Labor Division, announces.

To develop plans to bring shut-down facilities into defense production form, representatives of Shenandoah, Augusta, and Rockingham counties in Virginia met with War, Navy, and National Defense Advisory Commission officials in Washington. D. W. Thomas, president of the Chesapeake and Western Railway, acted as spokesman for the group which had pooled idle facilities on a cooperative basis.

Mr. Thomas said these three Virginia counties, even though predominantly

(Continued on page 6)

# CONSUMER DIVISION . . .

## Recommendations to keep the price of meat to consumers at reasonable levels

In order to keep meat prices to consumers at reasonable levels and at the same time benefit farmers, the Secretary of Agriculture has recommended to farmers that they raise more hogs this season and send more beef cattle to market. The Consumer Division has worked closely with the Department and the Agricultural Division of the Defense Commission in the study leading to these recommendations.

The price of beef is relatively high and the price of pork, although low in comparison with other foods and past prices, is rising. Reason appears to be lack of sufficient supply. Higher beef prices have led farmers to increase herds but also to keep large numbers of cattle off the market in order to use them for breeding purposes with a view to possible future price increases.

Although prices of pork and pork products have been relatively low during the past year, hog production has fallen off and pork prices probably will rise, the Department reports, unless production is increased.

### Buy by grade

Consumers can get full value for meats by buying beef products by grade, suggests the Consumer Division. Consumers should look for graded meats in their local stores.

The Division also points out that many cheaper beef cuts have just as much nutritive value as the more expensive cuts. Information on attractive and appetizing dishes made from the cheaper cuts of meat is contained in *Meat Dishes at Low Cost*, issued by the Department of Agriculture (Miscellaneous Publication No. 216), which can be purchased for 5 cents from the United States Government Printing Office, Washington, D. C.

### Other food prices

Butter prices increased during November and December. Wholesale prices have fallen in recent weeks, however, and retail prices of butter may be expected to begin their usual seasonal decline, according to the United States Bureau of Labor Statistics. Consumers have been

using more butter than last winter and stocks are relatively low. No shortage of butter is anticipated, however. Consumers can find plentiful supplies and low prices for alternative table spreads and cooking fats, such as oleomargarine, lard, and vegetable oils.

A guide to the housewife in the selection and substitution of butter and fats is offered in *Fats and Oils for Cooking and Table Uses*, published by the United States Department of Agriculture and obtainable from the United States Government Printing Office for 5 cents.

Food cost rises in the past month were due mainly to increases in the retail price of butter, milk, and flour. Prices of dairy products usually decline after a peak is reached in December.

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## Plan to utilize idle tools and manpower in three rural Virginia counties

(Continued from page 5)

rural, have found 365 machine tools available. The survey showed that these machine tools are idle 90 percent of the time and could be used on subcontracting work for the Army and the Navy. He said a survey showed there is plenty of experienced labor available. These men are not willing to leave the area to obtain defense work in the big cities, because, Mr. Thomas explained, when not employed they go back to the farm until local plants need them again.

Mr. Thomas said that the committee will obtain orders and divide them up among the plants in the area on a cooperating basis.

Mr. Cooke explained that an estimated 50 percent of the Nation's manufacturing facilities are now idle and could be brought into the production of goods for the defense program. The Commission is working on a system of farming out the work whereby even the smaller shops can be brought into defense production.

## Rise in price of Nylon hose is not related to defense activity—report of Consumer Division

Consumers have expressed concern over rise in prices of Nylon hose during the past few months. The Consumer Division of the National Defense Advisory Commission finds that this increase is in no way a result of defense activity.

Late in October, the manufacturer of Nylon yarn reduced its price to companies knitting the hose. In spite of this reduction, in many stores the price for branded 45-gage Nylons, which originally sold for \$1.15, is now \$1.35, and for 51-gage hose, originally \$1.35 per pair, is now \$1.50 or \$1.60. One mail order house, however, is selling unbranded Nylon hose at \$1.09 for 45-gage and \$1.25 for 51-gage, with prices on quantities of 3 pairs at \$2.98 and \$3.45.

The increased price is not due to increased raw material costs. The hosiery manufacturers cannot obtain more yarn by offering higher prices for it. Nor can production of the yarn be increased by consumers paying more for Nylon stockings.

### Limited supply

The yarn manufacturer announced when Nylon was first put on the market that the supply during the first year would be limited. A schedule for increasing the amount as producing facilities are enlarged indicated that production would be more than doubled in approximately a year. In the meantime, stores have discovered that they can sell as many Nylon stockings as they can provide at prices even higher than those originally set.

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## REPORT ON FORT BRAGG

All of the huge building program at Fort Bragg, N. C., is being completed either on schedule or ahead of schedule, the Secretary of War has been informed. As a result, about 7,900 officers and men already have moved into housing completed since September 1, 1940, and construction of buildings to accommodate the remainder of nearly 65,000 men is progressing rapidly.

## Shortage of cod-liver oil need not curtail consumption of vitamins A and D—statement from the Consumer Division

There is no reason why an impending shortage of cod-liver oil should result in the harmful curtailment of the consumption of vitamins A and D, the Consumer Division announced in its recent report on consumer prices.

There are two other important sources of vitamins A and D from which suitable cod-liver oil substitutes are being derived. Other fish oils such as halibut, swordfish, sablefish, menhaden, sardine, shark, tuna, and salmon are rich in one or both of these vitamins and abundant quantities of synthetic vitamin D can also be produced by irradiation of ergosterols and cholesterol.

### 95% imported

In using vitamin substitutes for cod-liver oil, consumers must remember that it is the number of vitamin A and vitamin D units of a U. S. P. (United States Pharmacopoeia) potency which is important. One teaspoon or capsule of one form of vitamin product may be very different from an equivalent quantity of another vitamin preparation.

Almost 95 percent of the cod-liver oil used in the United States has had to be imported from sources which now are closed to us. This decline in imports has been reflected in higher prices. The price to the manufacturer of cod-liver oil for medicinal purposes has risen from \$20 per barrel in the summer of 1939 to \$70 in November 1940. The average retail price of a 16-ounce bottle of standard medicinal grades of cod-liver oil has increased from 81 cents in September 1939, to 90 cents in November 1940.

There is also the additional danger that available cod-liver oil supplies will be exhausted. Domestic production, even if greatly expanded, will fall short of meeting the usual demands for this product—the development and use of substitutes are necessary.

### Not due to defense

The fact that prices of all vitamin preparations in the drug market are high relative to low-income budgets is not due to the defense situation. They were high long before the supplies of cod-liver oil were cut off. Other vitamin products customarily have been higher than cod-liver oil. If the importation

## Appointment of committee to draft model legislation to assist States and cities in maintaining fair rental levels

To assist States and local committees in maintaining fair rents in areas where the defense program may bring serious rent problems, Miss Harriet Elliott, commissioner in charge of the Consumer Division of the National Defense Advisory Commission, appointed a committee to draft model legislation for the use of State and local governments.

Mr. Edward Weinfeld, New York State commissioner of housing, is chairman of the committee, which consists of city and State legal officials. Creation of the committee follows the publication of a report on the methods and principles which should guide rent protection during the emergency.

The influx of workers and their families to cities where industrial activity is increasing as a result of defense preparations has taxed the housing facilities in certain centers where shortages were already in existence, Commissioner Elliott said, and protective measures may have to be formulated.

Disastrous rent rises and threatened evictions have occurred in previous periods of housing shortage. Until construction of new dwellings is adequate to meet the need, the report States that legislation or other steps may be necessary in some communities.

### Voluntary cooperation

The report was prepared for the Consumer Division by the National Association of Housing Officials which is made up of Federal, State, and local housing officials.

Voluntary cooperation by private groups and interested public agencies are outlined as necessary for "the smooth and effective administration of a fair rents program \* \* \*". Where legal steps are necessary, it is important that they be based on sound principles in order to avoid some of the unfortunate experiences of the past.

of cod-liver oil remains curtailed, it may well come to exceed other sources of vitamins A and D in price.

If consumers realize that vitamin products of the U. S. P. potency may be used safely as substitutes, there is some expectation that cheaper vitamin preparations may be marketed.

The Consumer Division urges more efficient use of existing facilities, consistent with the maintenance of good housing standards. A general policy of rent control is not recommended. Rent control is recognized as undesirable from the point of view of both landlord and tenant. It should be resorted to only when new construction is not sufficiently rapid and extensive to meet the need and where local communities can find no other means to check a severe rise in rents. Where cooperation of landlords can be made effective, it is pointed out, this is preferable to legislation.

### Rent and the family budget

Consumers normally pay between a fifth and a quarter of their incomes for rent. Of the major items in the consumer budget, rent is the one most likely to rise in certain localities under impact of the defense program. Since the market for housing is local and cannot be augmented by shipping surplus supplies of dwellings from other localities, congestion arising from the influx of many new people falls directly on the limited supply of houses in the particular community.

The remedy for the shortage of housing lies in the provision of an adequate supply of permanent or temporary housing rather than in the regulation of the rent of existing dwellings. But until an adequate supply of new houses is built, steps to maintain fair rent levels may be necessary in order to protect consumers.

The report describes the sound principles upon which such measures should be based. Where possible, it is indicated, legislators and interested citizens should draft and pass a measure which would become effective in the event of an emergency. Appraising past efforts at rent protection, the report stresses that the solution is to maintain rents at levels which are not unjustifiably high and which, at the same time, permit a fair return on realty investment.

When there is an acute shortage of liveable dwellings in any particular rental group or area of a community, accompanied by a trend toward unreasonable rent increases, an emergency housing situation exists in that group or area, the

(Continued on page 11)

# THE STATES AND CITIES . . .

## Description of the activities of State and local councils of defense in 1917-18

With organization of councils of defense in most States and hundreds of communities (DEFENSE, January 7), there is growing interest in what similar councils did in World War I. Do they set a proper pattern for 1941? Probably not, although much can be learned from study of the earlier councils.

Secretary of War Newton D. Baker called all Governors to a national defense conference in Washington on May 2-3, 1917. At the conference, a Nation-wide move to organize State councils of defense and to stimulate their activities to aid the Nation was begun.

First activity presented to the councils by Secretary Baker was registration of man power. The public relations responsibility of State councils was stressed.

### Functions in 1917

State councils of defense were given a plan of organization and an outline of functions. These included the fields of finance, publicity, legal matters, coordination of defense activities, health and sanitation, food supply and conservation, industrial surveys, manpower surveys, labor supply and labor welfare, military affairs, State protection, transportation, and extension of defense activities through local councils of defense.

A memorandum was presented entitled "Some Matters on which State Councils are asked to assist the Federal Government." These related to such matters as promotion of patriotism; war aims; National Guard; conscription; labor supply, standards and problems; food; land use; transportation; national resources; war financing, and economies to be put into effect.

Councils of one type or another were created, by statute or otherwise, in all States. Twenty-six States enacted laws providing for them. The councils themselves spawned one agency, section, or committee after another to handle problems that emerged.

Activities of State and local defense councils and committees were communicated to the country through the State Councils Section of the Council of National Defense, and also through admin-

istrators of divisions set up outside the Council.

These activities covered the various fields of health; labor; finance; thrift; transportation; aid to soldiers; military aid; Americanization; surveys of State resources; cooperation with food and fuel administrators; attempts to relieve housing congestion; reporting on marketing and other facilities; liquor control; defense exhibits at State fairs; promotion of "liberty choruses;" cooperation with the Committee on Public Information in organizing "Four-Minute Men;" coordination and supervision of voluntary war organizations, including those soliciting funds for war relief; coordination of Federal agencies within a State by establishment of a war board, consisting of State council officials and State agents of Federal departments and war administrations. The Woman's Committee Division of the Council of National Defense carried on activities in each State closely paralleling those of State councils.

A second national conference of State defense council representatives was held in Washington, April 3-4, 1918. Problems of sedition and Americanization are said to have overshadowed other questions; emotional tension had increased.

### Wide range in funds available

By June 1918, 29 States had available State funds ranging from \$1,500 to \$5,000,000; 5 other States had been given the right to expand without limit, on approval of the governor; and 5 others had private funds ranging from \$10,000 to \$100,000. Councils created by law usually received appropriations from the State treasury.

Where no laws had been enacted, councils were financed by contributions or by bonds underwritten by citizens, with the hope that they would be redeemed by the legislatures.

All councils, whether statutory or not, exercised power through their influence on public opinion, their ability to enlist and direct public support, and their supervision of the local organizations.

Some councils employed executive di-

rectors, who seem to have contributed much to effective operation. Organization of State defense councils varied greatly.

First task undertaken by most State councils was extension of organization to counties or other local units. By the first annual report in June 1917, 22 States had completed or under way a State-wide system of local organization. By January 1, 1918, local councils had been set up in practically every State.

Emphasis on local organization is shown in its second annual report, June 1918, when the State Councils Section said the functions of State defense councils were:

1. To create and direct local councils of defense.
2. To centralize and coordinate the war work of the State.
3. To inaugurate independent activities for State defense work.
4. To assist the Council of National Defense and the Federal departments and war administrations in their war programs.

### Differences between 1916 and 1941

Differences between 1916 and 1941 are significant, for the past 25 years have seen the greatest expansion of public service in the Nation's history. Much that State and local defense councils did in World War I is now part of regular State and local governmental activity.

Specifically, there were no State or local housing authorities in 1916, and no State or local planning boards. Only 23 States had legislation authorizing a public employment service; and in most of those operating machinery was lacking. At the end of 1916, fewer than 90 cities in the whole country had a government-operated employment office.

Local welfare and health agencies were in existence, but activities were confined largely to what might be called the negative aspects of public welfare and public health. Even State highway departments were in their infancy.

But the contrast between 1916 and 1941 goes deeper than any of these changes. States and communities have recognized and implemented their responsibility to serve the whole people—including the bulk who are average citizens, as well as the fractions, large or small, who are miscreant or victims of misfortune.

State and local governments now provide, for example, a constructive, and in large measure preventive, social security

program—to safeguard public health; to give children a good start in life; to train youth in vocational skills as well as in the traditional 3 R's; to protect conditions of work and provide unemployment insurance between jobs; to furnish aid to the needy on something more realistic and respectable than a pauper basis. Though Nation-wide Federal cooperation has been an essential ingredient in this development, it is the States and localities that have done, and are doing the job.

Even such essentially local services as fire and police protection have partaken of this progress.

It is evident that, while activities of State and local defense councils of World War I are interesting historically, they do not set the pattern for today. Those were war agencies. State defense councils and coordinators of 1941 are serving a nation at peace, and State and local governments are in position to render more service than a quarter century ago.

With all this in mind, the matter of State councils of defense was resurveyed in the summer of 1940, and the memorandum of August 2 prepared. This suggests a pattern for the present day. (See DEFENSE, January 7.) To implement the suggestions in that memorandum, a State council of defense act has been prepared in draft form and made available to the States and to others interested in this subject.

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## DEFENSE COUNCIL FOR ALABAMA

By action of Governor Frank M. Dixon on January 3, Alabama becomes the thirty-seventh State to have a defense council or coordinator. In addition to the Governor, serving ex officio, the council has seven members, all State officials.

The fields of defense council interest and the State official now responsible as a council member for each are as follows: Agricultural Resources and Production—Director of the Extension Service; Civil Protection—Director of Public Safety and Chief of the Highway Patrol; Health—Public Health Officer; Welfare and Consumer Interest—Commissioner of Welfare; Housing, Works and Facilities—Director of the Planning Commission; Human Resources and Skills—Chief of the Labor Division, Department of Industrial Relations; Industrial Resources and Production—Director of the Department of Industrial Relations.

# PRICE STABILIZATION . . .

## Mr. Henderson's request for voluntary reduction in price of iron and steel scrap; alternative: Recommendation of drastic steps looking toward control

Voluntary reduction of at least several dollars per ton on future sales of iron and steel scrap has been urged on the industry by the Price Stabilization Division of the National Defense Advisory Commission, Commissioner Leon Henderson announces.

Unless voluntary action is successful, drastic steps looking toward control will be recommended, Mr. Henderson stated.

The suggested price reduction was placed before a recent meeting in Washington attended by representatives of the iron and steel scrap industry, including brokers, dealers, and collectors, with members of the Price Stabilization Division.

Representatives of the trade agreed with Government authorities that current prices on scrap are several dollars per ton higher than is necessary to bring out the tonnage required to support present capacity operations.

The ultimate objective of the price reduction requested is to bring the market to a level not to exceed \$20 per ton for No. 1 heavy melting steel scrap at Pittsburgh.

Those present at the conference agreed that although requirements for scrap are at a record level, the supply will be adequate to meet all needs, provided available material is released for consumption.

The meeting with representatives of the scrap trade was the second since October, and followed a conference three weeks ago with steel-mill purchasing officials for whom scrap is the outstanding raw material purchased on the open market.

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## TRAINING CENTER NAMES

The War Department announces names for four training centers under construction for use by the Army. They are Fort Leonard Wood, near Rolla, Miss.; Camp Croft, near Spartanburg, S. C.; Camp Davis, near Wilmington, N. C.; and Camp Sibert, near Boulder City, Nev.

## Wool manufacturers' assurance that no price increases are contemplated beyond those made necessary by basic factors

Leading wool manufacturers, meeting recently with Leon Henderson, Commissioner for Price Stabilization, and other representatives of the National Defense Advisory Commission, strongly insisted that no price increases are in effect or contemplated beyond those necessitated by increases in wool prices and other basic cost factors.

The manufacturers assured the Commission of their full cooperation in its program of maintaining stability in the industry, and expressed their conviction that it will be able to supply civilian needs despite heavy requirements of the defense program.

They pointed out that prices on fall lines have not yet been established, but assured the Commission that, when established, these prices will reflect only a moderate advance, directly due to increased basic costs, over spring 1941 prices.

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## 608,000 SOLDIERS

The War Department estimates that the Army regulars and National Guardsmen actually under arms January 1 numbered 608,000, representing nearly a threefold increase in strength within a year. Meanwhile, the Navy and Marine Corps total nearly 250,000 regulars and reservists on active duty. The land forces are to be increased by some 500,000 men in the next 3 months under present schedules.

# PURCHASES . . .

## Agreement by the food industries on procurement policies of defense program

Full agreement by all branches of the food-distribution industries on food-procurement policies of the defense program is announced by Donald M. Nelson, director of the Division of Purchases of the Office of Production Management, following a meeting of the Food Procurement Advisory Committee.

Hector Lazo, chairman of the committee, said, "This is a time calling for sound judgment and for withholding criticism of any branch or segment of the food industry. Success of the defense program calls for the united effort of all factors in the food industry and for wholehearted cooperation to accomplish the great task of feeding the military forces and at the same time safeguarding the scale of living of all Americans."

The Committee stands ready to furnish complete information on Army procurement policies to all members of the food trades, Mr. Lazo explained. Inquiries can be addressed to the committee members or to Mr. Donald Nelson directly.

### Specific policies

Although the committee's first meeting was held largely for purposes of organization, specific procurement policies were outlined at this meeting by Col. Paul P. Logan, Chief of Subsistence, Quartermaster Corps. The four basic policies that will be followed by the Army, and which were approved by the Committee, were:

1. Continuance of competitive bidding as the basic procurement policy;
2. Eligibility of any responsible vendor to submit bids;
3. Purchase of supplies, so far as possible, in carload lots, f. o. b. destination point. This may well serve to equalize army business among suppliers in all parts of the country;
4. Inspection of all goods at the point of origin. Such a system, Colonel Logan pointed out, should avoid the difficulties of delays, returns, and unnecessary claims.

Douglas C. MacKeachie, assistant to the Director of the Division of Purchases, told the meeting that the Division's goal

is to help the Army feed its men economically and with a minimum of interference with civilian markets. Timing of purchases, Mr. MacKeachie said, is especially important. Efforts will be made to adjust sizes and items to avoid excessive cost to the Government and dislocation of food prices and supplies. Existing food industry facilities such as coffee roasting, bread baking, and other processing, will be used when possible to avoid duplication of plants and equipment.

In commending the work already done by the advisory committee, Mr. MacKeachie outlined the future importance of the commodity subcommittees. The fruit and vegetable subcommittee is already functioning while the dairy and poultry groups are expected to establish similar bodies soon.

### Bread problem

Ways to solve the problem of buying fresh bread for the Army are being worked out with representatives of the baking industry. A proposal for having the industry appoint a representative to work with the Quartermaster Corps in drawing up specifications and to make sure the Army receives bread of the proper quality in the proper condition is being considered by the industry. Although the Army will continue to bake as much of its own bread as possible, a large quantity must be bought until the larger cantonments are completed.

### Quartermaster corps

The committee called on all branches of food distribution for the names of men in the industry who have been called for service or who are subject to later call. These men will be assigned to the Quartermaster Corps for such jobs as buying, warehousing, stock control, and inspection. Information is also being sought on surplus warehouse facilities adjacent to Army cantonments.

The committee will issue a series of informational releases on Army procurement requirements and summary reports of successful aids and prices.

## Endorsement of procurement policy for fish by New England fish industries

The New England fish industries have endorsed a fish-procurement policy for the Army worked out at meetings between the industry, the Quartermaster Corps, and the National Defense Advisory Commission, Donald M. Nelson, Director of the Division of Purchases, announces.

The plan, now under consideration, was worked out at a meeting held in December called by Mr. Douglas C. MacKeachie, Assistant to Mr. Nelson, and was then submitted to all members of the New England fish industries for their approval.

The most useful method of procurement, according to the plan, would be that of advertised bidding. Bids should be advertised every 60 days, allowing 30 days between the time the invitation was sent out and first delivery.

Industry representatives will submit recommendations and samples of the kinds of fish with prices that are most suited to Army requirements. It was recommended that inspectors of the Food and Drug Administration should inspect the fish at the place of shipment, and further inspection should be made on arrival.

The problem of whether fish purchases should be handled through a contracting officer in Boston, or direct from the various Army posts, is under discussion.

The recommendation was made that the industry send several experts on the handling of fish to the Bakers and Cooks School being set up by the Defense Commission in cooperation with the National Restaurant Association.

Those attending the meeting on December 19th were:

Mr. E. H. Cooler, manager, Massachusetts Fisheries Association, Boston, Mass.; Mr. Patrick J. O'Hara, president, O'Hara Bros., Inc., Boston Fish Pier; Mr. Thos. J. Grace, vice president, Gorton Pier Fisheries Co., Gloucester, Mass.; Mr. William R. Russo, president, Henry & Close, Inc., Boston, Mass.; Mr. J. J. Lamere, Booth Fisheries Corporation, 33 Boston Fish Pier; Mr. J. F. Alphin, president, General Seafoods Corporation, Boston, Mass.; Lt. Col. Paul P. Logan, Chief of Subsistence, Quartermaster Corps.; Mr. Reginald H. Fielder, Chief of Div. of Fisheries Industries, Bureau of Fisheries; Mr. Raymond L. Bland, Liaison Officer, Food Supply Section, National Defense Commission; Mr. Douglas C. MacKeachie, Assistant to the Coordinator of National Defense Purchases.



## Rent . . .

(Continued from page 7)

report says. Since different communities and rental groups have different requirements—which are determined by local conditions—direct intervention by the Federal Government on the administration of a fair rents program is not recommended. State and local machinery should be set up to conduct surveys at the earliest indication of a shortage. Vacancy ratios at which hardship may be said to exist for a particular community or group, should therefore be determined by State and local agencies provided by State legislation.

### Exemptions

In order not to discourage new construction in areas where acute shortages have made protective legislation necessary, the report recommends that new developments should be exempted from restrictions. Public housing already provides for rent limitation and should, therefore, be exempt. Rather than provide for mandatory exemptions of specific rental groups, the report recommends that consideration be given to exempting dwelling units of higher-income groups which can protect their bargaining power even in times of emergency rentals.

As dwelling-supply conditions improve in consequence of new building, rent restrictions would be removed. To prevent dislocation and economic shock which might result from a sudden and complete lifting of restrictions, a period of decontrol is suggested, to precede complete freedom from regulation. Restrictions would be relaxed after a certain predetermined degree of improvement was observed.

Outlining the respective functions of Government agencies in such a program, the report recommends that the State agency should make surveys and act as a board of review and appeal, and that the administration of problems and the determination of issues between landlords and tenants should be left to the local fair rents agency. Since a number of Federal agencies, such as the Bureau of the Census, the Bureau of Labor Statistics, the National Defense Advisory Commission, the United States Housing Authority, the Federal Housing Administration, and others have developed satisfactory techniques for studies and acceptable standards for dwellings, it is

## TRANSPORTATION . . .

### Expectation that freight car loadings in first quarter of 1941 will show an increase of 9.5 over same period in 1940

Freight car loadings in the first quarter of 1941 are expected to be about 9.5 percent above actual loadings in the same quarter in 1940, according to Ralph Budd, commissioner in charge of the Transportation Division of the National Defense Advisory Commission.

These estimates indicate that the Nation's rail facilities are able to handle increases arising from defense needs, he said.

On the basis of those estimates, freight car loadings of the 29 principal commodities will be 5,572,106 cars in the first quarter of 1941, compared with 5,089,820 actual car loadings for the same commodities in the corresponding period in the preceding year. All of the 13 Shippers' Advisory Boards estimate an increase in carloadings for the first quarter of 1941 compared with the same period in 1940.

The Shippers' Advisory Boards expect an increase in the first quarter of 1941, compared with the same period 1 year ago, in the loading of all of the 29

commodities except 5. Among those showing the greatest increase are the following:

Iron and steel, 34.9 percent; brick and clay products, 30 percent; machinery and boilers, 27.9 percent; gravel, sand and stone, 22.9 percent; lumber and forest products, 19.8 percent; ore and concentrates, 16.4 percent; chemicals and explosives, 16.2 percent; automobiles, trucks, and parts, 15.7 percent; cement, 14.4 percent; lime and plaster, 14 percent; agricultural implements and vehicles other than automobiles, 13.4 percent; paper, paper board, and prepared roofing, 8.7 percent; potatoes, 8.6 percent; canned goods, 6.9 percent; petroleum and petroleum products, 4.6 percent; and coal and coke, 4.4 percent.

The division is also studying the transportation situation at new plant sites and defense housing areas. This work is being carried on as a continuing activity and under the procedure now being followed the division hopes to avoid serious transportation problems in individual defense areas.

suggested that the legislation provide for cooperation between the State agencies and these Federal agencies.

Also described in the report are principles for appeals provisions, determination of fair rents, penalties, and prohibitions.

### Model legislation

On the basis of this report, the newly appointed committee is preparing model State and local legislation which will be available to the States and localities that may find it necessary to adopt such measures. Members of this committee are:

Edward Weinfeld, chairman of the Committee.  
Ira S. Robbins, counsel to the Committee.  
Mrs. Edith B. Drellich, housing research associate, and secretary to the committee.  
Henry S. Brainard, director of law, Cleveland, Ohio.

Horace Edwards, city attorney, Richmond, Va.

John Evans, city counsel, Paterson, N. J.

Fowler Hamilton, special assistant to the Attorney General of the United States.

Philip H. Hill, city solicitor, Charleston, W. Va.

Paul E. Krause, corporation counsel, Detroit, Mich.

Harry C. Nail, Jr., secretary of the National Association of State Attorneys General, Chicago, Ill.

William H. Neal, assistant city attorney, Los Angeles, Calif.

Charles S. Rhyme, attorney for National Institute of Municipal Law Officers, Washington, D. C.

Lewis H. Weinstein, assistant corporation counsel, Boston, Mass.

Hal O. Williams, director of law, Louisville, Ky.

The full report on "Maintenance of Fair Rents During the Emergency" is available from the Consumer Division of the National Defense Advisory Commission.

## Mr. Forrestal's appeal to all contractors to let out part of their work to subcontractors—"serious situation"

The following statement has been issued by James V. Forrestal, Under Secretary of the Navy:

"The attention of all contractors and prospective contractors for Navy orders should be called to the great importance of speed in making deliveries; and, to this end, they should be urged to make the greatest possible use of subcontractors, whose capacity would not otherwise be fully utilized on defense work.

"There are only a comparatively small number of companies which, because of their experience and well-rounded capacity, are normally considered as qualified to take prime Navy contracts.

"There are, however, respectively, in the light of the present emergency, many thousands of machine shops, foundries, and plants of special types, many of them small, some, however, large, besides countless departments of companies whose main product is perhaps far removed from Navy requirements, which have the equipment and personnel which could, with a certain amount of adaptation, perform operations that a given prime contractor could not himself quickly handle.

"Under ordinary circumstances a manufacturer might be warranted in buying extra equipment or taking the extra time necessary to do the work with the resources in his shop, rather than to farm it out. Today, however, neither of these courses should be followed except as a last resort.

"America's tool-making and equipment-extending industries have more than they can do already in the way of constructing that equipment of which we have no adequate supply anywhere. Even where new and more efficient equipment should be ordered, it is important that in the meantime as much use as possible be made of older equipment already in existence.

"Companies having Navy contracts, but with facilities of certain types in excess of those which can be immediately used, are requested to make these facilities available to other companies engaged on defense work so long as they can do this without impairing their ability to expedite Navy orders as they come along.

"The department realizes that an extension of subcontracting will require an

administrative effort on the part of the contractors and that its success depends upon the intelligence and energy with which it is conducted.

"The situation is so serious and the necessity of meeting delivery schedules is so important that I feel justified in requesting your cooperation in this matter, and further to request that you exercise every possible recourse that may be necessary to enable you to meet the Navy's delivery requirements on its defense orders."

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## Measures adopted in building new Army barracks to prevent respiratory diseases; ventilation and lack of crowding

"It has been demonstrated that troops in Army stations are comparatively less susceptible to the spread of influenza and other respiratory diseases than are nearby civilian communities," the War Department has announced.

An example was cited of one southern community which was struck particularly hard by the wave of influenza, while soldiers in adjoining Army camps who live a more hardening outdoor life, who have the best of food, and who are dressed uniformly in adequate clothing were almost free from the disease.

### Preventing crowding

In order to guard against any material spread of influenza and similar diseases in the rapidly expanding camps of the Army, great care has been taken to prevent crowding. War Department statistics have shown that the sick rate among troops rises directly in proportion to the crowding, particularly in living and sleeping quarters.

It is for this reason that soldiers living in permanent tent camps, even in cold weather, have a higher immunity to respiratory diseases than groups living in temporary wooden barracks or in permanent quarters.

Another important factor in preventing respiratory diseases is proper ventilation, and all new construction is designed to provide the maximum in beneficial air conditions.

## Distributing defense contracts in nonindustrial areas—radio address by Chester Davis

Relationship of migratory labor to National Defense was discussed by Chester C. Davis, Commissioner in charge of the Agricultural Division, National Defense Advisory Commission; Paul V. McNutt, Federal Security Administrator; and Representative John H. Tolan, of California, over a coast-to-coast network of the Mutual Broadcasting system January 6.

Mr. Tolan is chairman of the congressional committee investigating the migrant situation in the United States.

Mr. Davis pointed out that in a total defense effort it would be necessary either to remove workers from the land and out of rural communities into our great industrial centers, or produce defense materials where these people live.

By locating plants in nonindustrial areas, Mr. Davis said, rural people would not be forced to leave their land, homes, and friends and move to a city that may offer employment for only a year or two.

"We must avoid as much as possible the creation of new groups of stranded workers who may have no jobs after the defense effort is over and who may have to migrate again," Mr. Davis said. "By distributing defense contracts widely in nonindustrial areas, an important contribution can be made to the building of the Nation's defenses. Existing plants will be used, and housing and other facilities of towns and villages throughout the country will be available. Raw materials can be used at their source. Rural manpower can be brought into production with the least delay. We can avoid the needless expenditure of funds for new buildings and new homes, and we can lessen the danger of transportation congestion and housing shortages."

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## AGRICULTURE CONSULTANT

Mr. E. C. McReynolds, of the Agricultural Extension Service of the University of Tennessee, has been appointed a consultant in the Agricultural Division. Mr. McReynolds will aid in handling problems arising as a result of the displacement of families in connection with the acquisition by the Government of land for use as sites for defense facilities.

## War Department's four recommended plans for procuring new plant facilities

Following is the War Department's program of recommended methods of procuring new plant facilities:

### Plan I—Government ownership

*Purpose.*—For plant in which Government desires to have permanent interest or in which the manufacturer has no future interest.

*Financing.*—Government funds, Army or Navy.

*Title.*—Vested in the Government.

*Method of operation.*—Leased to the manufacturer.

*Reimbursement.*—None.

*Amortization for tax purposes.*—No amortization involved.

*Termination.*—Government retains ownership of facilities at termination of lease.

*Provision for subsequent use by manufacturer.*—None, except in special cases.

### Plan II—Private ownership with Government Interest<sup>1</sup>

*Purpose.*—For plant in which the manufacturer desires to preserve a future interest.

*Financing.*—Private, including RFC loan.

*Title.*—Vested in the manufacturer.

*Method of operation.*—By manufacturer.

*Reimbursement.*—Cost to be repaid to manufacturer in 60 equal monthly installments. Payments to be subject to acceleration if supply contracts run out.

*Amortization for tax purposes.*—Certified for tax purposes by Certificate of Necessity in interest of national defense and Certificate of Government Protection; also Certificates of Nonreimbursement under supply contracts.

*Termination.*—Government pays balance of costs, takes title and assumes construction obligations if facilities not completed.

*Provision for subsequent use by manufacturer.*—Upon termination or at end of 5-year period, plant may be permanently acquired from the Government by paying original cost less agreed depreciation or lower negotiated price.

### Plan III—Privately owned

*Purpose.*—When manufacturer desires to own the facilities at all times and does

not include in the product price an abnormal amount for depreciation or amortization.

*Financing.*—Private.

*Title.*—Vested in the manufacturer.

*Method of operation.*—By the manufacturer in the normal way.

*Reimbursement.*—None other than by way of normal depreciation.

*Amortization.*—Certified for 5-year amortization by Certificate of Necessity in interest of national defense and Certificate of Non-Reimbursement under supply contracts.

*Termination.*—None.

*Provision for subsequent use by manufacturer.*—None required.

### Plan IV—Ownership in Defense Plant Corporation, a subsidiary of Reconstruction Finance Corporation

*Purpose.*—For plants which it is not desired to finance under plan II and in which the manufacturer desires to preserve a future interest.

*Financing.*—With funds of Defense Plant Corporation.

*Title.*—Vested in Defense Plant Corporation.

*Method of operation.*—Leased to the manufacturer.

*Reimbursement.*—None.

*Amortization.*—No amortization involved.

*Termination.*—Defense Plant Corporation retains ownership of facilities at termination of lease or transfers same to Government through War (or Navy) Department.

*Provisions for subsequent use by manufacturer.*—Upon termination of lease (and/or in some cases during term of lease) plant may be permanently acquired by manufacturer from the Defense Plant Corporation by paying original cost less agreed depreciation or lower negotiated price (or on some other basis agreed upon in certain cases).

To insure proper facilities for the work and expedite placing such facilities in production, the manufacturer should supervise their design and construction. The Government departments concerned should review the building plans and the cost estimates to determine whether the facilities proposed and the cost of the same are reasonable for the purpose, prior to any commitments.

## Liaison agency through which restaurant and allied industries offer advice and assistance to armed forces

Announcement has been made of appointment of Horace L. Gardner of New York City and Clyde Davis of Wilkes-Barre, Pa., to the staff of George M. Moffett, Director of the Food and Food Products Section of the Production Division.

This office will serve as a liaison agency through which the restaurant and allied food industries offer to the armed services voluntary advice and assistance in the problems involved in feeding the rapidly expanding armed forces.

This action follows establishment of a Food Defense Advisory Committee by the National Restaurant Association. This Committee, appointed at the Association's convention in October, is composed of George R. LeSauvage, Guy Gundaker, and Charles Laube. As a result of the conferences between this Committee and representatives of the Army, the Navy, and the Defense Commission, Messrs. Gardner and Davis will act as liaison in feeding and serving problems.

### Cooks and bakers

An important problem is to supply the great number of additional cooks and bakers required. Advanced training is provided through the service bakers and cooks' schools in the various Army Corps Areas and Navy bases.

To provide experienced personnel for further training in the schools Mr. Gardner and Mr. Davis are working in cooperation with the National Restaurant Association, American Hotel Association, American Bakers Association and the Baking Institute, the Retail Bakers Association, American Meat Institute (composed of the commercial packers), Associated Retail Meat Dealers, National Confectioners' Association, and others.

The names and particular qualifications of draft-age employees experienced in cooking, baking, meat cutting, and other food-preparation occupations will be obtained from their employers.

### Service school training

This information will help personnel officers at reception centers in selecting individuals for training at the service schools in Army methods of mess operation.

Mr. Gardner and Mr. Davis will also aid the Quartermaster Corps in the layout and construction of mess facilities at the cantonments now under construction.

<sup>1</sup>A contract form is available to cover facilities under this plan.

## State compilation to date of contracts for expansion of defense plants

Following is the tabulation by States of contracts publicly announced by the War and Navy Departments to date, for plant expansion, construction, and equipment.

It should be noted that in some Army contracts, cost of operation cannot be separated from construction and equipping costs. In Army contracts, generally only those contracts over \$500,000 are shown. In Navy contracts, only the plant to be expanded is shown, and not the name of the contractor. Contracts for expansion, except by private concerns, of Government-owned arsenals, etc., are not shown.

### ALABAMA

Tennessee Valley Authority, Knoxville, Tenn.; rehabilitation of nitrate plant at Muscle Shoals, Ala.; \$6,500,000. (War.)

Rust Engineering Co., Pittsburgh, Pa.; design and construction of shell forging and machinery plant at Gadsden, Ala.; \$1,138,000. (War.)

Gulf Shipbuilding; shipbuilding plant; \$2,500,000. (Navy.)

### CALIFORNIA

Vultee Aircraft, Inc., Downey, Calif.; plant expansion construction to be amortized in 5 years by Government with purchase option; \$4,294,798. (War.)

Douglas Aircraft Co. of Santa Monica, Calif.; for plant expansion construction by its subsidiary company, the Western Land Improvement Co. at Long Beach, Calif., to be amortized in 5 years by Government, with purchase option; \$11,254,700. (War.)

Bethlehem steel; shipbuilding facilities San Pedro, Calif.; \$2,756,000. (Navy.)

L. A. Shipbuilding Co., San Pedro, Calif.; expansion of plant facilities, for shipbuilding; \$450,000. (Navy.)

Consolidated Aircraft, San Diego, Calif.; expansion of plant facilities for production of aircraft; \$14,446,929.27. (Navy.)

Consolidated Aircraft, San Diego, Calif.; expansion of plant facilities for production of aircraft; \$3,090,044.69. (Navy.)

Bethlehem Steel, San Francisco, Calif.; expansion of plant facilities for shipbuilding; \$11,162,000. (Navy.)

Bethlehem Steel, San Francisco, Calif.; expansion of plant facilities for shipbuilding; \$1,500,000. (Navy.)

Bethlehem Steel, San Pedro, Calif.; expansion of plant facilities for shipbuilding; \$1,250,000. (Navy.)

L. A. Shipbuilding Co., San Pedro, Calif.; expansion of plant facilities for shipbuilding; \$400,000. (Navy.)

### CONNECTICUT

Colt's Patent Firearms Manufacturing Co., Hartford, Conn.; installation of equipment for manufacture of weapons; \$8,074,406. (War.)

Prett & Whitney Division Niles-Bement-Pond Co., Hartford, Conn.; expansion of plant facilities for production of gages; \$1,140,000. (War.)

Electric Boat Co., Groton, Conn.; expansion of plant facilities for shipbuilding; \$4,800,000. (Navy.)

Vought Sikorsky Div., United Aircraft, Stratford, Conn.; expansion of plant facilities for production of aircraft; \$1,600,000. (Navy.)

Hamilton Standard Propeller Div., United Aircraft; expansion of plant facilities for production of aircraft propellers; \$1,961,746. (Navy.)

Pratt & Whitney Div., United Aircraft, East Hartford, Conn.; expansion of plant facilities for production of aircraft engines; \$15,559,000. (Navy.)

### ILLINOIS

Sanderson and Porter, New York City; construction and operation of an ammunition loading plant near Wilmington, Ill.; \$14,000,000. (War.)

The Stone and Webster Engineering Corporation, New York; construction of a plant at Wilmington, Ill., to produce TNT and DNT; \$10,863,000. (War.)

Stone and Webster Engineering Corporation, New York, N. Y.; additional award for increased facilities in construction of a TNT, DNT, and a tetryl plant at Wilmington, Ill.; \$20,000,000. (War.)

Foots Bros. Gear & Machine Co., Chicago, Ill.; expansion of plant facilities for production of gears for aircraft engines; \$1,020,000. (Navy.)

Goss Printing Press Co., Chicago, Ill.; expansion of plant facilities for production of ordnance; \$505,490. (Navy.)

Goss Printing Press Co., Chicago, Ill.; expansion of plant facilities for production of ordnance; \$359,110. (Navy.)

### INDIANA

E. I. duPont de Nemours & Co., Charlestown, Ind. (Indiana Ordnance Works); facilities for the manufacture of smokeless powder, Government owned. (This includes \$25,000,000 announced July 17, and \$26,000,000 announced October 18, 1940); \$51,000,000. (War.)

Giffels & Vallet, Inc., Detroit, Mich. Chas. W. Cole & Son, South Bend, Ind.; architect and engineering for shell-loading plant at Union Center, Ind.; \$77,330. (War.)

The Bates & Rogers Construction Co., Chicago, Ill.; for construction of a shell-loading plant at Union Center, Ind.; \$11,500,000. (War.)

### IOWA

Day & Zimmerman, Inc., Philadelphia, Pa.; design, supervision of construction, installation of equipment, and operation of a shell-loading plant located near Burlington, Iowa; \$34,451,384. (War.)

A. Guthrie & Co., Inc., St. Paul, Minn., and Al Johnson Construction Co., Minneapolis, Minn.; for the construction of a shell-loading plant near Burlington, Iowa; \$9,822,000. (War.)

### KANSAS

Beech Aircraft Corporation, Wichita, Kans.; plant expansion construction for new facilities to be amortized in 5 years by Government, with option to purchase; \$1,619,509. (War.)

Boeing Aircraft Co., Stearman Aircraft Div., Wichita, Kans.; plant expansion construction at Wichita, Kans., to be amortized in 5 years by Government, with option to purchase; \$3,367,943. (War.)

### MAINE

Bath Iron Works, Bath, Maine; expansion of plant facilities for shipbuilding; \$2,000,000. (Navy.)

Bath Iron Works, Bath, Maine; expansion of plant facilities for shipbuilding \$400,000. (Navy.)

### MARYLAND

Fairchild Airplane and Engine Corporation, Hagerstown, Md.; for additions to existing plant and construction of a separate complete plant, to be amortized over 5 years by Government, with option to purchase; \$982,891. (War.)

### MASSACHUSETTS

The Greenfield Tap & Die Corp., Greenfield, Mass.; expansion of plant facilities for production of gages; \$1,009,000. (War.)

Bethlehem Steel Co., Quincy, Mass.; expansion of plant facilities for shipbuilding; \$13,427,500. (Navy.)

Bethlehem Steel Co., Quincy, Mass.; expansion of plant facilities for shipbuilding; \$800,000. (Navy.)

### MICHIGAN

Chrysler Corporation, Detroit, Mich.; for plant and equipment (tank plant); \$20,000,000. (War.)

General Motors Corp., Detroit, Mich.; for the equipping of four machine-gun plants; A. C. Spark Plug Division, Flint, Mich.; Saginaw Steering Gear Division, Saginaw, Mich.; Frigidaire Division, Dayton, Ohio; Guide Lamp Division, Syracuse, N. Y.; \$20,000,000. (War.)

Ford Motor Company, Dearborn, Mich.; aircraft engine plant and magnesium casting foundry; \$21,965,420.43. (War.)

### MINNESOTA

Northern Pump Co., Minneapolis, Minn.; expansion of plant facilities for production of ordnance; \$3,473,297. (Navy.)

Northern Pump Co., Minneapolis, Minn.; expansion of plant facilities for production of ordnance; \$2,000,000. (Navy.)

### MISSISSIPPI

Ingalls Shipbuilding Co., Pascagoula, Miss.; expansion of plant facilities for shipbuilding; \$2,000,000. (Navy.)

### MISSOURI

Foley Brothers, Inc., St. Paul, Minn., and Walbridge, Aldinger Co., Detroit, Mich.; for the construction of a small arms ammunition plant located near Lake City, Mo.; \$7,500,000. (War.)

Fraser-Brace Engineering Co., Inc., New York; for the construction of TNT and DNT plant at Weidon Springs, Mo. The site is in the vicinity of St. Charles, Mo.; \$11,325,000. (War.)

Remington Arms Co., Inc., Bridgeport, Conn.; for the procurement of equipment and for operation of small arms ammunition plant near Lake City, Mo.; \$73,575,261. (War.)

Western Cartridge Co., East Alton, Ill.; for supervising the lay-out, engineering, and construction, procurement of equipment, supervision of installation, and supplying management services for small arms ammunition plant at St. Louis, Mo.; \$18,600,000. (War.)

### NEW JERSEY

New York Shipbuilding Corporation, Camden, N. J.; expansion of plant facilities for shipbuilding; \$10,500,000. (Navy.)

Federal Shipbuilding Co., Kearney, N. J.; expansion of plant facilities for shipbuilding; \$5,500,000. (Navy.)

RCA Manufacturing Co., Camden, N. J.; expansion of plant facilities for production of radio equipment; \$2,370,034. (Navy.)

Crucible Steel Co., Harrison, N. J.; expansion of plant facilities for production of ordnance; \$125,000. (Navy.)

Westinghouse Electric Elevator Co., Jersey City, N. J.; expansion of plant facilities for production of ordnance; \$495,000. (Navy.)  
Federal Shipbuilding Co., Kearney, N. J.; expansion of plant facilities for shipbuilding; \$2,250,000. (Navy.)

## NEW YORK

Bell Aircraft Corporation, Wheatfield Township, Niagara County, N. Y.; plant expansion construction for new facilities, to be amortized over 5 years by Government, with option to purchase; \$1,023,200. (War.)

Savage Arms Corporation, Utica, N. Y.; for the equipping of a machine gun plant at Utica. (Title to equipment remains with the Government); \$17,600,000. (War.)

General Motors Corporation, guide lamp division, Syracuse, N. Y.; part of a \$20,000,000 contracts for the equipping of four machine gun plants. A. C. Spark Plug Division, Flint, Mich.; Saginaw Steering Gear Division, Saginaw, Mich.; frigidaire division, Dayton, Ohio. (War.)

Republic Aviation Corporation, Farmingdale, Long Island, N. Y.; plant expansion; \$5,210,513.50. (War.)

Grumman Aircraft Bethpage, Long Island, N. Y.; expansion of plant facilities for production of aircraft; \$3,500,000. (Navy.)

Edo Aircraft, College Point, N. Y.; expansion of plant facilities for production of aircraft; \$365,000. (Navy.)

Bausch & Lomb, Rochester, N. Y.; expansion of plant facilities for production of ordnance; \$512,000. (Navy.)

Bethlehem Steel, Staten Island, N. Y.; expansion of plant facilities for shipbuilding; \$2,706,000. (Navy.)

Liberty Aircraft, Farmingdale, N. Y.; expansion of plant facilities for production of aircraft; \$1,088,000. (Navy.)

Bethlehem Steel, Staten Island, N. Y.; expansion of plant facilities for shipbuilding; \$700,000. (Navy.)

Link Aviation Devices, Inc., Binghamton, N. Y.; plant expansion to be amortized in 5 years by Government, with purchase option; \$323,432. (War.)

## OHIO

Atlas Powder Co., Ravenna, Ohio; for the construction of an ammunition loading plant near Ravenna, Ohio; \$14,215,000. (War.)

Ferro Concrete Construction Co., Cincinnati, Ohio; to construct a metal mirror factory for the manufacture of searchlight mirrors; \$500,000. (War.)

General Motors Corporation, frigidaire division, Dayton, Ohio; part of a \$20,000,000 contract for the equipping of four machine gun plants. A. C. Spark Plug Division, Flint, Mich.; Saginaw Steering Gear Division, Saginaw, Mich.; Guide Lamp Division, Syracuse, N. Y. (War.)

War Department, Trojan Powder Co., Allentown, Pa., for supervising construction, installation of equipment, and preparation for operation of Plum Brook Ordnance Plant, Sandusky, Ohio. \$275,000.

Sheffield Gage Corporation, Dayton, Ohio; expansion of plant facilities for production of gages; \$910,000. (War.)

Babcox & Wilcox Co., Alliance, Ohio; expansion of plant facilities for production of ordnance; \$250,000. (Navy.)

## OREGON

Willamette Iron & Supply Corporation, Portland, Oreg.; expansion of plant facilities for shipbuilding; \$1,000,000. (Navy.)

## PENNSYLVANIA

Aviation Manufacturing Corporation, Locomotive division, Williamsport, Pa.; for additions to the existing plant for the manufacture of aircraft engines; \$1,597,491. (War.)

Henry Disston & Sons, Inc. (armor plate); addition to present Disston plant at Tacouy,

Philadelphia. (Plant will be constructed by Barclay & White Co., of Philadelphia, Pa.) \$1,018,400. (War.)

Mesta Machine Co., Pittsburgh, Pa.; equipping of a gun tube factory at West Homestead, Pa.; \$1,680,000. (War.)

Cramp Shipbuilding Co., Philadelphia, Pa.; expansion of plant facilities for shipbuilding; \$10,000,000 to \$12,000,000 maximum. (Navy.)

Bethlehem Steel Co., Bethlehem, Pa.; expansion of plant facilities for production of ordnance; \$1,343,797. (Navy.)

Sun Shipbuilding, Chester, Pa.; expansion of plant facilities for shipbuilding; \$2,500,000. (Navy.)

## RHODE ISLAND

Taft-Pierce Manufacturing Co., Woonsocket, R. I.; expansion of plant facilities for production of gages; \$400,000. (War.)

## TENNESSEE

War Department, Procter and Gamble Defense Corporation, Cincinnati, Ohio. For procurement of equipment and management services during construction of Wolf Creek Ordnance Plant near Humboldt in the vicinity of Milan, Tenn. \$3,585,600.

## TEXAS

Humble Oil & Refining Co., Houston, Tex.; facilities for the manufacture of Toluiol; (a) for the construction of a new plant at Baytown. This plant will be constructed and operated by the Humble Oil & Refining Co., on a cost-plus-fixed-fee basis (Government owned) Baytown Ordnance Works. (b) for additional equipment in the existing Humble Plant; \$10,760,000 (a) \$1,097,000 (b). (War.)

Consolidated Steel, Orange, Tex.; expansion of plant facilities for shipbuilding; \$4,600,000. (Navy.)

## VIRGINIA

Hercules Powder Co., Radford, Va.; construction of smokeless powder plant near Radford, Va. (Plant will be owned by Federal Government); \$25,000,000. (War.) For additional facilities; \$10,000,000.

Hercules Powder Co., Wilmington, Del.; for architectural and engineering services, procurement and installation of equipment, and the operation of a bag loading plant to be located near Pulaski, Va.; \$6,756,399. (War.)

Newport News Shipbuilding, Newport News, Va.; expansion of plant facilities for shipbuilding; \$14,000,000. (Navy.)

## WASHINGTON

Boeing Airplane Co., Seattle, Wash.; plant expansion construction at Seattle, to be amortized in 5 years by Government, with purchase option; \$7,368,849. (War.)

Associated Shipbuilders, Seattle, Wash.; expansion of plant facilities for shipbuilding; \$700,000. (Navy.)

Tacoma Shipbuilding, Seattle, Wash.; expansion of plant facilities for shipbuilding; \$4,600,000. (Navy.)

Tacoma Shipbuilding, Seattle, Wash.; expansion of plant facilities for shipbuilding; \$1,400,000. (Navy.)

## WEST VIRGINIA

E. I. duPont de Nemours & Co., Wilmington, Del.; for the design, equipment and construction of an ammonia plant located near Morgantown, W. Va.; \$15,000,000. (War.)

Carnegie-Illinois, South Charleston, W. Va.; expansion of plant facilities for production of ordnance; \$4,900,000. (Navy.)

Carnegie-Illinois, South Charleston, W. Va.; expansion of plant facilities for production of ordnance; \$1,353,000. (Navy.)

Carnegie-Illinois, South Charleston, W. Va.; expansion of plant facilities for production of ordnance; \$45,000,000. (Navy.)

## WISCONSIN

Manitowoc Shipbuilding Co., Manitowoc, Wis.; expansion of plant facilities for shipbuilding; \$1,000,000. (Navy.)

## Urgent need for Army nurses; 1,491 additional will go on active duty during January

There is an immediate and urgent need for registered nurses for duty with the Army Nurse Corps Reserve, according to the War Department.

In January alone, it is estimated that 1,491 additional nurses will be placed on active duty in new Army hospitals. Another large quota will be needed for hospitals to be completed in February. Six large Army general hospitals which will open early in March will require another 760 nurses. By June 30, 1941, it is planned to have 4,019 members of the Army Nurse Corps Reserve on extended active duty.

Source for the Army Nurse Corps Reserve in the past has generally been from Red Cross registers. Although 17,000 nurses are registered as available for Army service in an emergency, response to questionnaires has not been adequate to meet the demands. Service in the Army Nurse Corps Reserve must be voluntary.

To be eligible for commission, nurses must be single and between 21 and 40 years of age. They must be graduates from approved schools of nursing, registered as provided by State laws, and American citizens. Duties are much the same as in civilian hospitals. Initial pay is \$70 a month, plus all maintenance.

Information may be obtained by writing to the commanding general of any of the nine Corps Areas of the Army.

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## First commercial manufacture of M1 rifles by Winchester

Commercial production of the Army's M1 (Garand) rifle was launched officially last Friday at the Winchester Repeating Arms Co., New Haven, Conn., before a group of high-ranking Army officers from Washington. Maj. Gen. Charles M. Wesson, chief of the Army Ordnance Department, received the first new weapon from the assembly line, inaugurating manufacture of 65,000 semi-automatic rifles.

Since signing the contract October 9, 1939, Winchester has been procuring necessary machine tools and designing and producing jigs, dies, fixtures, and gages required for mass production.

The Ordnance Department's Springfield Armory at Springfield, Mass., is the only other establishment in which M1 rifles now are being produced.

<sup>1</sup> Defense Plant Corporation Contract.

# INTER-AMERICAN COOPERATION . . .

## Report that U. S. export firms frequently are represented in Latin America by agents known to support objectives contrary to best interests of American republics.—Statement by Nelson A. Rockefeller

The following statement has been issued by Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics:

As a defense measure, the Office of the Coordinator has undertaken a continuing study of the representation of United States business in the other American Republics, in cooperation with the Department of State and other interested Government agencies. The first phase of the study is now completed and its results are being made available to the interested Government departments.

Shortly after the office of the Coordinator was established on August 16, 1940, a mission sponsored by this office undertook a comprehensive study in Central and South America in cooperation with United States Foreign Service officers. The mission was headed by Percy L. Douglas, on leave of absence from the Otis Elevator Co., International Division, and included John Lockwood, New York lawyer, and George H. Butler, of the State Department, as well as a group of technical assistants.

The mission returned to the United States in December after visits to 18 of the other 20 American Republics and has reported to the Coordinator.

### Findings

The work of correlating the findings on a hemisphere basis is nearing completion. Examination of the country-by-country reports discloses the following facts:

1. That United States business is frequently represented in Central and South America by firms and individuals now known to support objectives contrary to the best interests of the American Republics.

2. That these representatives often use advertising appropriations of United States business firms to force newspapers and in some instances radio stations to adopt anti-American editorial policies.

3. That many employees of United States companies or their affiliation in

Central and South America are known members of local anti-American organizations.

4. That many anti-American firms, which formerly sold only European products, have now succeeded in obtaining agencies for United States business. These new connections are keeping them alive, and enabling them to maintain their trade contacts. In many instances, they openly declare they will return to their former lines at the expiration of the war.

### Confidential information

5. That many of these agents who now represent United States firms are obtaining through this medium confidential trade information which is made available to anti-American powers.

6. That profits thus derived from representation of United States firms are being used to finance operations of propaganda agencies in Central and South America.

7. That many of the firms representing United States companies also serve as centers for distribution of anti-American literature and propaganda.

8. Many of the larger anti-American firms have established their own purchasing agents in the United States and with the goods obtained in this market remain in business.

9. Officers and employees of a number of firms, representing United States businesses, are officials of anti-American powers.

### Extent of practices

The purpose of the mission was to discover the extent of such practices and their effect on hemispheric defense. The mission's findings indicate that the majority of our exporting firms are not represented in Central and South America by agents with non-American connections, but that there is a sufficient number to make this a serious concern from a defense point of view.

It should be emphasized also that in many cases the firms involved have had no knowledge of the anti-American activities of their agents, and thus they have unwittingly contributed to our own difficulties and to those of our neighbors. In many cases, the connections are traceable to recent non-American pressures, the application of which could not have been foreseen when the connection was established.

Many United States companies already have taken steps to remedy the situation by cooperating with the nationals in the countries in which they operate to appoint agents friendly to inter-American solidarity. It is confidently anticipated that our exporting firms as a whole will cooperate as soon as they are apprised of the situation as it relates to their interests.

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## Summary of the Week in Defense

(Continued from page 1)

the Atlantic fleet, and Admiral Thomas C. Hart, the Asiatic.

### Work week

Wage-Hour Administrator Fleming, in a speech, called on defense industries to arrange work shifts so that plants can be kept in continuous operation. Colonel Fleming emphasized that productive capacity of individuals would decrease if they work more than 40 hours.

### Export licenses

Effective February 4, new strict export license regulations imposed by the President on copper, brass, bronze, zinc, nickel, and potash will go into effect.

### Merchant Marine expansion

The President announced the program to augment the Merchant Marine when he said \$36,000,000 had been allotted to the Maritime Commission to start construction of shipyards to accommodate a \$350,000,000 new shipbuilding program. The President estimated that about 200 ships would be built, averaging about 7,500 tons each. As much of the work as possible would be done in steel plants with the new shipyards used as assembly plants, he said.



# DEFENSE

★ OFFICIAL BULLETIN  
★ of the NATIONAL DEFENSE  
★ ADVISORY COMMISSION  
★ Washington, D. C. Issued Weekly  
★ JAN. 22, 1941 • VOL. 2, NO. 3

## Need for immediate construction with public funds of 1982 dwelling units in eight defense areas

President Roosevelt has found a need for immediate construction, with public funds, of 1982 dwelling units in eight different defense localities upon the recommendations of C. F. Palmer, Defense Housing Coordinator.

In a letter to Federal Works Administrator John M. Carmody, the President stated that a shortage of adequate shelter, which might impede progress in the National Defense program, exists in Hinesville, Ga.; Rantoul, Ill.; Brooklyn, N. Y.; Erie, Pa.; Orange, Tex.; San Antonio, Tex.; Norfolk, Va.; and Radford, Va.

At the same time, Mr. Palmer reported that in these same localities his office has recommended a total construction program embodying 9029 dwelling units. Of this number, many of which are now under construction contract, 2850 dwelling units are to be supplied by private industry; 1912 to be built by the Navy; 1110 through the United States Housing Authority, or local authorities; 2832 under the jurisdiction of the Federal Works Agency; and 325 units by the Defense Homes Corporation.

### Area breakdown

Of the 1982 dwelling units recommended for immediate construction by the President under the Lanham Act, 665 units are to be constructed in the Norfolk, Va., area; 100 at Hinesville, Ga.; 100 at Rantoul, Ill.; 200 at Brooklyn, N. Y.; 500 at Erie, Pa.; 200 in Orange, Tex.; 17 at San Antonio, Tex.; and 200 at Radford, Va.

Mr. Palmer reported that in the Hampton Roads area there are now 4002 dwelling units under construction and an additional 1000 units for which land has been acquired. However, these figures do not include a substantial amount of pri-

(Continued on page 4)

## Summary of the week in defense---Placing of Navy Yards on 24-hour schedule; call for more sub-contracting; departure of U. S. Commission for study of British conditions

President Roosevelt pledged faith in democracy in his third inaugural address in Washington Monday. To ward off "great perils never before encountered," he summoned the country to muster its faith and its spirit. He promised that this Nation will oppose disruption from without and keep the "sacred fire of Liberty" alight in the world.

### Navy

Secretary Knox disclosed that the Navy Department is rapidly placing Navy yards throughout the country on a twenty-four hour, three-shift schedule, with employees each working forty-eight hours weekly, except in a minority of establishments where, because four hours is needed for overhauling machinery, two shifts of ten hours each are in effect. Navy yard employees on a six-day, forty-eight hour week are being paid overtime for the eight hours over the standard week, Mr. Knox said.

The House Naval Affairs Committee approved a new \$1,209,000,000 program to speed shipbuilding. Under the program \$315,000,000 would be used to provide additional yard facilities, \$194,000,000 to

build factories for ship parts and armament, and \$400,000,000 to construct 400 auxiliary ships for the Navy.

### Subcontracting

Under Secretary of War Patterson called on war material contractors to farm out more of their work to small manufacturers in order to achieve a wider distribution of production and overcome "serious obstacles."

Shortly afterward, the Division of Public Contracts of the Department of Labor, issued a statement that, despite a different impression in some quarters, "... subcontractors as a class are not subject to any of the provisions of the Public Contracts Act except for one prohibiting the performance in any plants ... under working conditions which are insanitary or hazardous or dangerous to the health and safety of employees. . . ."

### Commission to Britain

A United States Commission to study health conditions, epidemic control, transportation, and evacuation of children in Great Britain left New York last Saturday. The Commission's trip was organized by Federal Security Administrator Paul V. McNutt, and approved by the President following a request by the War Department.

The Commission expects to remain in London a month and will also attempt to visit France and Germany.

Membership on the Commission includes U. S. Surgeon General Thomas Parran; Maj. Eugene Ridings, of the War Department General Staff; F. C. Horner, transportation consultant to the National Defense Advisory Commission; Geoffrey May, associate director, Bureau of Public Assistance, Social Security Board; and Dr. Martha Elliott, assistant chief of the Children's Bureau, Department of Labor.

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## NATIONAL DEFENSE ADVISORY COMMISSION

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WILLIAM H. McREYNOLDS, *Secretary of the Commission.*

NELSON ROCKEFELLER, *Coordinator of Commercial and Cultural Relations Between the American Republics.*

## DEFENSE LOANS

Federal Loan Administrator Jones announced that defense commitments of the RFC now aggregate more than \$1,000,000,000, including approximately \$550,000,000 in loans for the construction of defense plants; \$125,000,000 in loans to manufacturers; \$260,000,000 for the purchase of strategic metals; and \$140,000,000 for the acquisition of stocks of rubber.

## PRICE STABILIZATION . . .

**Statement by Mr. Henderson that there is no justification for the great advance in the price of iridium; evidence that the rise is due to "sheer speculation"**

There is no justification whatever for the great advance in the price of iridium, culminating in a jump during November and December from \$148 per ounce to \$300 or more per ounce, according to an announcement by Leon Henderson, Commissioner of the Price Stabilization Division of the National Defense Advisory Commission.

This metal, which is used as a hardening agent for platinum in airplane motor parts, electrical equipment, and jewelry, sold for \$65 per ounce throughout the summer of 1939. During the 3 years 1937-1939 the average price was about \$92.

### Sheer speculation

Members of the Price Stabilization Division have uncovered evidence, Mr. Henderson said, that this costly price rise is due to sheer speculation.

Rumors of large military requirements and of great scarcity have been employed to double the price in the last 2 months.

Mr. Henderson pointed out that in many basic industrial commodities such as steel, zinc, and copper, there has been active cooperation with the Defense Commission in preventing undue and dangerous price increases. Iridium, he added, appears to present one of the few instances to date of wilful exploitation of urgent defense needs of this Nation and Great Britain for the benefit of a few speculative interests.

### Study of supplies

There are aspects of this situation, added Mr. Henderson, which undoubtedly would justify and may require the application of full governmental powers.

A comprehensive study of military requirements and available supplies of iridium has been conducted jointly by the staffs of Mr. Henderson and J. D. Biggers, Director of the Division of Production, Office of Production Management. This study indicates that contrary to preva-

lent rumor there is no real shortage of iridium. Military requirements will add only a relatively small amount to ordinary domestic consumption.

According to a survey made for the Defense Commission by the Bureau of Mines, total stocks of iridium in the hands of domestic refiners are equivalent to several times military requirements for 1941 and 1942. Foreign dealers in the United States have stocks in addition to those reported to the Bureau of Mines.

### Use of substitutes

Furthermore, there is no reason to believe that domestic refinery output will vary substantially in 1941. Although imports dropped greatly in 1940 this was partly due to a growth in British military consumption. It is now reported that as a consequence of certain recent technological changes, consumption of iridium in Britain will shortly be materially reduced, due to the fact that it has become possible to use substitutes in the manufacture of airplane spark plugs.

If it should appear desirable to curtail nonmilitary consumption of iridium in order to conserve supplies for military use in future years, this could be done by employing another hardening agent for platinum jewelry, which use has accounted for two-thirds or more of the normal domestic consumption of iridium.

According to experts, an effective substitute is the metal ruthenium, supplies of which are ample for extensive replacement of iridium. The price of ruthenium has remained at about \$35-\$40 an ounce since 1938.



## ARMY STRENGTH

The War Department announces that it plans to maintain the United States Army at 1,418,097 enlisted men and 97,371 officers during the 1942 fiscal year.

That strength would include selectees and National Guardsmen as well as Regular Army units.

## Announcement by Mr. Biggers of the names of the chief executives of the Division of Production; Mr. Batt deputy director

John D. Biggers, Director of Production Division, Office of Production Management, announces the names of the chief executives of the Production Division.

Mr. Biggers, on leave from the Libbey-Owens-Ford Glass Company, of which he is President, has served for the past seven months as William S. Knudsen's deputy on the National Defense Advisory Commission, of which Mr. Knudsen is the Production commissioner.

Mr. Biggers said that the following members of his staff had been approved by President Roosevelt and the Office of Production Management, of which Mr. Knudsen is Director General:

*William L. Batt, deputy director.*—President, SKF Industries, on leave; for the past seven months Deputy Commissioner of the Industrial Materials Division of the Advisory Commission to the Council of National Defense.

*W. Averell Harriman, chief, industrial materials.*—Mr. Harriman is on leave as Chairman of the Board of Directors of the Union Pacific Railroad, and for the past seven months has been Liaison Officer of the Industrial Materials Division.

*E. F. Johnson, chief, aircraft, ordnance, and tools.*—Mr. Johnson was formerly Vice President of General Motors Corporation and for the past seven months has been the Director of the Light Ordnance Section of the Production Division.

*W. H. Harrison, chief, ships, construction, and supplies.*—Mr. Harrison is on leave as Vice President and Chief Engineer of the American Telephone and Telegraph Company, and for the past seven months has been Chief of the Construction Section of the Production Division.

Mr. Harriman's major division heads will be as follows:

*George M. Moffett, chief, mining and mineral products.*—Mr. Moffett is on leave as President of the Corn Products Refining Company and for the past seven months has been Director of the Food Products Section of the Production Division.

*R. R. Deupree, Chief, Agriculture and Forest Products.*—Mr. Deupree is on leave as President of Procter & Gamble Company and for the past two months has been Division Executive of Agriculture and Forest Products.

*E. R. Weidlein, Chief, Chemicals, Drugs, and Allied Products.*—Mr. Weidlein is on leave as Director of the Mellon Institute and has been Division Executive of Chemicals and Allied Products of the Industrial Materials Division.

Mr. Johnson's major associates will be as follows:

*Merrill C. Meigs, Chief, Aircraft.*—Mr. Meigs is on leave as Publisher of the Chicago Herald-American and for the past two months has been Director of the Aeronautical Section of the Production Division.

*A. R. Glancy, Chief, Ordnance.*—Mr. Glancy was formerly President of the Pontiac Motor Company and has been a special adviser to the Ordnance Section of the Production Division.

*Mason Britton, Chief, Tools.*—Mr. Britton is on leave as Vice Chairman of McGraw-Hill Publishing Company and for the past three months has been Director of the Machine Tool Section of the Production Division.

Mr. Harrison's key associates thus far chosen are the following:

*Emory S. Land, Chief, Ships.*—Admiral Land is Chairman of the Maritime Commission and for the past seven months has been Director of the Shipbuilding Section of the Production Division.

*J. C. Nichols, Chief, Supplies.*—Mr. Nichols is on leave from J. C. Nichols Investment Company of Kansas City, Missouri, and for the past seven months has been Director of the Miscellaneous Equipment Section of the Production Division.

### The Office of Production Management:

William S. Knudsen, director general; Sidney Hillman, associate director general; members: Secretary of War Henry L. Stimson and Secretary of the Navy Frank Knox.

Within the Office of Production Management are the following and such other operating agencies as the President may from time to time determine: Division of Production, John D. Biggers, director; Division of Purchases, Donald M. Nelson, director; and Division of Priorities, Edward R. Stettinius, Jr., director.

## Announcement of the appointment of complete personnel for the Commercial Aircraft Priorities Committee by Mr. Stettinius

E. R. Stettinius, Jr., director of priorities, announces appointment of the complete personnel of the Commercial Aircraft Priorities Committee. Establishment of a Commercial Aircraft Priorities Section, with Arthur B. Whiteside as executive officer, was announced on January 13. Mr. Whiteside is on leave from his position as president of Dun and Bradstreet, New York City.

The Commercial Aircraft Priorities Committee will recommend policies bearing on the use of priorities in this field to the Director of Priorities, who will also be advised by Consumer, Price and Labor Consultants.

Such policies, when approved, will be carried out under the direction of Mr. Whiteside.

Complete personnel of the committee follows:

Col. John H. Jouett, president of the Aeronautical Chamber of Commerce.

Col. Donald H. Connolly, of the Civil Aeronautics Board.

C. R. Smith, aeronautical consultant to the Transportation Division of the National Defense Advisory Commission.

Capt. D. C. Ramsey, representing the Navy.

Col. E. L. Lyons, representing the Army.

Merrill C. Meigs, head of aeronautical section of the Production Division, will be an ex-officio member of the committee.

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## EXPORT CONTROL

The President has signed an Executive Order authorizing use of general licenses for export control purposes, at the discretion of the Administrator of Export Control.

Under the order, the Secretary of State may issue general licenses authorizing the exportation to all or certain areas or destinations any of the articles and materials on the export control list, in accordance with rules and regulations prescribed by the President or such specific directives as may from time to time be communicated to the Secretary of State through the Administrator of Export Control.

# DEFENSE HOUSING . . .

## Establishment of a new Homes Registration Division within the Division of Defense Housing Coordination; advisory body to housing committees of councils of defense

In order to muster all of the available housing facilities in vital defense areas, C. F. Palmer, Defense Housing Coordinator, has announced establishment of a Homes Registration Division within the Division of Defense Housing Coordination.

The new division will supplement emergency building programs in the provision of shelter for defense workers being carried on in defense localities through public or private agencies as a part of the defense housing program.

Mr. Palmer appointed Harold Pomeroy, former State Relief Administrator of California, and more recently Executive Director of the Sacramento Housing Authority, as Director of the new Division.

Dr. James Ford of Harvard University, who conducted the Homes Registration Service during the World War, has been appointed as Consultant. In 1917 and 1918, more than 100,000 workers were housed through this community cooperation.

### Advisory body

The new division will act as an advisory body to the Housing Committees of local Defense Councils. The core of the operation will be a complete file of both vacant rooms and family dwelling units broken down by type, location, rent, and condition.

This file will be set up and maintained by the local committees and will serve as a central bureau for the listing of available accommodations. This registry will cooperate with realtors in referring applicants for dwelling accommodations to vacant units.

The registries will furnish information to the defense councils and to other appropriate agencies for proper local action in the development of every dwelling place that can be made available either for temporary or for permanent use. They will also furnish regular reports to the office of the Defense Housing Coordinator through the Division of Homes Registration so that necessary action can be taken to assure the construction

of additional dwelling units where they are essential.

### To indicate need

Information on rents collected by the local offices of the Division of Homes Registration will indicate the need for legal steps to maintain rent levels in any locality. Legislation is being prepared by the National Defense Advisory Commission to be made available to States and localities where such legal action is necessary.

The report issued by the National Defense Advisory Commission dealing with this subject recommends, however, that such legal action be used only as a last resort. A program providing additional dwelling and the proper use of all available living space was suggested as positive means of maintaining rent levels, to be taken before legal machinery is invoked.

Based on the experience of the last war, the advisory Homes Registration Office in Washington will aid the local programs in part as follows:

- (1) Provide a manual for the organization and operation of Homes Registration Offices.
- (2) Assist localities in the organization and operation of local offices by making available the services of its field representatives.
- (3) Provide all basic forms necessary for operation.
- (4) Suggest appropriate publicity programs.

### Local action

Housing committees, already established under local defense councils, have been composed of representatives from among the following: local defense industries; health departments; public housing agencies; local housing groups such as the housing committee of the Chamber of Commerce, and social welfare groups, such as YWCAs, YMCAs, Salvation Army, Travelers' Aid, real estate boards, apartment management associations, and rooming house associations.

**NOTE.**—The Division of Coordination of National Defense Housing is now, by Executive order, in the Office of Emergency Management of the Executive Office of the President.

In announcing the new Division, Mr. Palmer stated: "Maximum defense production cannot be accomplished by the Federal Government alone. Such a great variety and complexity of problems are involved that action is required of the individual citizens, community organizations, cities, counties, regions, and each state in the Nation. One of the many problems bearing upon the efficiency of defense production is adequate housing for defense and related workers and their dependents. If satisfactory dwelling places are not available within reasonable commuting distance of employment, production efficiency will be materially reduced."

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## Housing . . .

(Continued from page 1)

vate construction being conducted through the facilities of the Federal Housing Administration.

The new recommendations bring a total of dwelling units either projected or under contract in San Antonio area to 717; in Erie to 500; in Hinesville to 100; in Radford to 300; in Brooklyn area to 400; in Rantoul to 400; and in Orange to 1000. In the latter locality only 500 are projected for immediate construction with the remainder needed for later on in the year.

The report made public by Mr. Palmer regarding these eight localities is in conformance with the designated function of the Defense Housing Coordinator to examine housing needs in defense areas and to make recommendations with regard to fulfilling these requirements.

In all of the above-mentioned areas, where possible, private industry is encouraged to supply housing where economic conditions and the nature of the shelter necessary make possible the investment of private capital.

Mr. Palmer pointed out, however, that where private interests fail to meet the need promptly it will be necessary for the Government to produce living accommodations so that there will be no halt in the tempo of defense production due to a bottleneck in adequate housing for the families of workers and enlisted personnel.

## Continued progress in providing housing for families of defense workers and enlisted personnel—report by C. F. Palmer

Continued progress in the provision of housing for the families of defense workers and enlisted personnel through a co-ordinated housing program carried on by the Federal Works Agency, Federal Housing Administration, the Army and the Navy, is indicated in a report by C. F. Palmer, Coordinator of Defense Housing.

New developments on the Housing front during the past week were:

Total defense housing units completed up-to-date with Federal Funds rose to 687.

Total defense housing units under construction contracts reached 26,462, and funds definitely had been earmarked for 49,706 units.

Work was also started this week on 2555 new homes financed by the Federal Housing Administration, and applications for Mortgage Insurance were submitted on 3876 additional small single family residences to be built under FHA inspection.

A summation of the work of each agency as of last week showed:

### Navy

As of January 14, the Navy had 14,515 dwelling units under construction in vital defense areas. These units will be for the families of the enlisted personnel and civilian workers in Government plants.

### Army

The Army is preparing one project in the Canal Zone comprising 825 dwelling units for families of enlisted personnel.

### Federal Works Agency

The Federal Works Agency reported contract awards made during the week through the Public Buildings Administration for 535 dwelling units to be built at a cost of \$1,698,500. The projects will be located at Fort Sill, Oklahoma; Jackson, Mississippi; Fort Meade, South Dakota; Riverside, California, and West Palm Beach, Florida, and will be for the occupancy of married enlisted personnel of the United States Army stationed at or near these locations. The award of these contracts brings the total of Public Buildings Administration Defense Housing Projects in 31 locations to 8437 units, with an estimated cost of \$25,769,700.

### Defense Homes Corporation

The Defense Homes Corporation has approved the construction of 1944 dwell-

## Status of Public Defense Housing Construction

JANUARY 14, 1941

	Funds allocated	Contracts awarded	Completed
Number of States and Territories.....	40	34	3
Number of localities.....	92	68	3
Number of projects.....	169	97	3
Number of family dwelling units.....	49,706	29,462	687
Civilian industrial workers.....	21,092	10,712	---
Other civilians: Employees of Army and Navy.....	7,364	4,737	412
Married enlisted personnel.....	21,250	14,013	275

## Private Construction Under FHA Mortgage Insurance

	Week ended Jan. 11	Previous week
New homes started.....	2,555	2,183
Mortgages selected for appraisal.....	3,876	2,815

ing units, locations of which will be announced later.

### Federal Housing Administration

The FHA announced last week that 3 out of every 10 new small homes financed by FHA Insured Mortgages during 1940 were purchased by families with annual incomes of less than \$2000, indicating that the benefits of the FHA Insured Mortgage Program were being utilized by a broader section of the Nation's moderate income families.

Although public funds, according to Mr. Palmer, are being allocated as rapidly as possible in those areas in which the findings of the Housing Coordinator indicate an emergency need for shelter, building figures continue to indicate the substantial part private industry plays in filling emergencies as well as normal housing requirements.

### Gain under FHA

This was indicated by the sharp gain in new homes started under the FHA program. It is estimated that more than 40% of all the single-family residences built last year were financed through the facilities of FHA which thus provide an accurate barometer of private building.

Inasmuch as the preponderance of FHA construction takes place in metropolitan

areas where defense housing facilities will be in the greatest demand, last week's sharp rise indicates that private building is alleviating to a considerable extent any potential housing shortage.

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## Long-time trend of farm exports is downward—speech by Secretary Wickard; "not a result of war"

Secretary of Agriculture Wickard, speaking at the Farm and Home Week convocation at Lafayette, Indiana, said "the important thing to remember" is that the long-time trend in our exports (of farm products) is downward . . . the nations of the old world have been trying to become self-sufficient and "new land in this hemisphere and in the eastern hemisphere has been broken out for cultivation by the millions of acres in the past 40 years."

"Tremendous surpluses were on hand before the war broke out. These tremendous world-wide surpluses are not a result of the war. And if the war were to end tomorrow . . . they would probably still be there . . . isn't it in the interest of farmers, and the Nation, to lay plans accordingly?" he said.

# CONSUMER DIVISION . . .

## Sustained production the only true answer to the problem of maintaining living standards under the defense program---an address by Miss Harriet Elliott

"Can we so organize and utilize our resources as to produce enough, not only for our greatly expanded armed forces, but for our civilian population as well?"

This is the basic problem in maintaining living standards as an essential part of the Nation's program of total defense, Miss Harriet Elliott, Commissioner in charge of the Consumer Division, National Defense Advisory Commission, told the annual meeting of the National Consumers League in New York.

Commissioner Elliott outlined four methods by which military and civilian needs could be coordinated and the national production economy adjusted to the defense program. She emphasized that only one of them is fully consistent with the democratic concept of total defense, namely, sustained production for everyday living needs through the most effective possible use of resources not needed for military purposes.

The easiest way, Miss Elliott indicated, would be to allow shortages to develop, with consequent price rises. This method, she said, would restrict purchasing to those consumers with enough income to pay for the reduced supply.

### Priorities

Imposing priorities is the next easiest way, Miss Elliott said. This, she pointed out, must be done where necessary to insure military supplies. At the same time, she stressed that priorities are no substitute for production.

"They are only devices to use temporarily while we get the necessary production, or, in a few cases, where there are actual shortages of raw materials or other production items. When and where priorities are necessary, adjustment of consumer purchasing may be required and will be appropriate."

### Reduced purchasing power

Reduced consumer purchasing power through taxation or other means was a third method of adjustment outlined by Miss Elliott. She pointed out that Great Britain has used this method under stress of extreme war emergency but de-

clared that the present situation in this country does not call for such measures.

Describing these methods as "the three easier ways of meeting the demands on productive capacity placed by the defense program," Miss Elliott continued: "We must choose the hard way—getting production—as the only one that is fully compatible with the defense of our democracy. We must direct our best ingenuity toward keeping up production through the most efficient use of existing capacities and the expansion of such capacities as far as our resources will permit. We must create the economic conditions favorable to the maintenance of such production."

### Consumer supplies

"In the manner in which production and purchase of military supplies is directed; in the manner in which business is conducted; in the manner in which consumers direct their expenditures; and in the manner in which local, State, and Federal Governments provide consumer services that are publicly available—in all these ways the conditions for maintaining supplies of consumer goods are being established."

"The maintenance of living standards calls for consumer income to stimulate production, price stability to insure that real income is not reduced through rising prices, action by producers and merchants to make and distribute the goods which are needed, and action by consumers to direct their purchasing intelligently."

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## WPA FUNDS FOR DEFENSE

WPA has announced that \$157,000,000 in WPA funds were earmarked for national defense projects during the first six months of the fiscal year. In a radio address, Acting WPA Commissioner Hunter declared that over 40 percent of all airport developments in the last five years had been accomplished by WPA labor.

## Preparation for defense work by the students at the Woman's College, North Carolina U.

National defense has become the chief interest of the students at the Woman's College of the University of North Carolina, of which Defense Commissioner Harriet Elliott is dean, reports the North Carolina Department of Conservation and Development.

A number of the girls are preparing themselves for work in munitions plant laboratories, where at least one of last year's graduates already is employed. Others, who formerly considered cooking a "home art," are now equipping themselves to assist in the mass feeding of thousands in cantonments, hospitals, and institutions, in preparation for possible emergencies.

Compact foods, ideal for the soldier's pack, and emergency utilization of soy bean flour are among the chief research problems of graduate students in the Department of Home Economics. Studies in X-ray technique, photography, physical therapy, and first-aid have become increasingly popular with the students.

During the World War, the Department of Conservation reports, the girls at Woman's College took over a great part of the manual labor in the college and on the college farm. A group of the girls formed a unit of "farmerettes" and ran the college farm for an entire season. Others attended to the campus and college buildings. When carpenters could not be found to build a new Y. M. C. A. hut, the girls built it themselves. Although they were untrained in carpentering, that building is still being used after 22 years

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## INFANTRY SCHOOL GRADUATES

The War Department announces that during January and February, 1,620 students from the Regular Army, the National Guard, and the Officers' Reserve Corps of the United States Army will be, or already have been, graduated from the Infantry School at Fort Benning, Georgia. This number includes 1,304 officers from classes in five different officers' courses, and 316 graduates in two enlisted men's courses.



# TRANSPORTATION . . .

## Commercial motor carriers take part in first complete highway movement of troops as combat unit in the history of the Army

Ralph Budd, Commissioner in charge of the Transportation Division of the National Defense Advisory Commission, reports that Division consultants have worked out details of the American Army's first complete highway movement of troops as a combat unit in commercial vehicles in cooperation with the Army General Staff.

Arthur M. Hill and Ted V. Rogers, consultants on Bus Transportation and Trucking, respectively, planned the precedent-breaking movement in which 1,900 officers and men were transported to Little Rock, Arkansas, from 15 points within the State.

At the War Department's request, the

Division outlined the movement as a solution to the tactical problem of determining the role of bus and truck operators in transportation of combat units.

A total of 21 buses and 56 trucks, in addition to regular Army vehicles, was used in the operation. The longest haul was 220 miles. Questions of speed, capacity, and vehicle coordination were studied by Messrs. Hill and Rogers, who then planned the movement so that an efficient result was obtained. The whole procedure represents a radical departure from previous methods.

Mr. Budd stated that the Division would continue to work out details of troop movement problems.

## Wide-scale program for the use of motion pictures to promote closer American relations

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, announces "a wide-scale program for the use of motion pictures as a medium for promotion of closer relations and better understanding among the American Republics."

The program involves production by commercial motion picture companies of feature and short films on central and South American themes, increased newsreel coverage of South American events, and the appointment of industry committees to facilitate these endeavors.

John Hay Whitney, Director of the Motion Picture Division of the Coordinator's Office, announced that an Executive Committee will be headed by Y. Frank Freeman, President of the Association of Motion Picture Producers.

Cooperating committees will be headed by Joseph Schenck (Committee on Visits to South America); Sam Briskin (Committee on South American Film Facilities); Walter Wanger (Committee of the Academy of Motion Picture Arts and Sciences); Gunther Lessing (Short Subjects Committee); Cedric Gibbons (Art Direction Committee); and Sheridan Gibney (Committee on Story Material).

## Questionnaire for organizations subject to foreign control

Attorney General Jackson has disclosed that organizations subject to foreign control which engage in political or military activity will be required to answer more than 225 detailed questions concerning their finances, affiliations, activities, and organizational set-ups.

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## LATIN AMERICAN TRAVEL

Students, teachers, and their families will be encouraged to travel from the United States to Latin American countries and from Latin American countries to this country through a rate reduction of 50 percent on one-way fares for steamship travel, under an arrangement announced by the United States Maritime Commission.

The lower rates for scholars have been established by the American Republics Line operating from United States Atlantic coast to the east coast of South America, the Mississippi Shipping Company, operating from the Gulf of Mexico to the east coast of South America, and the Grace Line operating from United States Atlantic coast to the west coast of South America.

## Announcement of examinations for civilian instructors for Army Motor Transport Schools

Examinations are to be held throughout the country under the direction of the Civil Service Commission to secure at least 60 qualified civilian instructors for the Army Motor Transport Schools, two of which already are in operation, and two of which will be put into operation March 15, 1941, the War Department announces.

The schools, attended by specially selected men of the Army, provide training in operation and maintenance of motor vehicles. Both Army and civilian instructors will be on the school staffs. Selectees as well as other Army personnel who are chosen to attend the schools will become well qualified for jobs in industry upon completion of their service.

Present schools are located at the Holabird Quartermaster Depot, Baltimore, Maryland, and the Fort Normoyle Quartermaster Depot, Normoyle, Texas. The two to be put into operation in March are at Fort Francis E. Warren, Wyoming, and Camp Lee, Petersburg, Virginia. Initially, 34 instructors will be hired at Camp Lee and 26 at Fort Warren.

Individuals interested in taking the examination for positions as instructors should obtain information at local post offices or write to the district office of the Civil Service Commission.

Instructors will receive \$1800 per annum, Senior Instructors will receive \$2600 per annum; and Principal Instructors, to be selected from the best qualified Senior Instructors, will receive \$3200 per annum.

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## NEW FIELD RANGE

The War Department announces development of a sectional gasoline field range, built in individual units so it can be expanded to meet the needs of any size organization, which assures Army troops in the field of better-cooked meals than ever before.

Three of the units can be installed across the front end of a 1½-ton Army truck, and ordinary hot meals can be prepared during field movements as well as while in camps or at field stations. By fastening the units together and anchoring them to the truck, meals can be cooked while the truck is moving.

# DEFENSE PURCHASES . . .

## **“One of the most colossal tasks ever assigned to human beings . . .”---address by Mr. Nelson on the Office of Production Management; Purchasing Division's work**

The following address was delivered January 13 by Donald M. Nelson, Director of the Division of Purchases for the Office of Production Management, before the National Retail Dry Goods Association in New York City:

On January 7, the President of the United States established a new organization which has been named the Office of Production Management. To that group he delegated all the authority of his office that he could, under the Constitution, pass along to other men.

And with that group he placed responsibility for performing one of the most colossal tasks ever assigned to human beings outside the realm of mythology—responsibility for making this Nation what he described as the “great arsenal of democracy.”

It would be no exaggeration to say that the future existence of democratic government for perhaps hundreds of years—the future existence of political freedom and individual liberty, the future existence of private capitalism and human decency—may all depend upon the degree of success attained by that group.

### **“Tremendous responsibility”**

There is no doubt that the members of the Office of Production Management fully comprehend the tremendous responsibility that has been placed upon them. But more important even than that is the fact that they have recognized the responsibility placed, in turn, upon every citizen of this country.

Let me read you an excerpt from a statement made by them immediately after their appointment:

“The task which confronts the Office of Production Management is one not only of critical importance but also one of surpassing urgency.

“The President has said that the United States must become the arsenal of democracy. To create such an arsenal will require far more than we who are charged with its management can

provide. We promise all that we have to the fulfillment of this order from our Commander in Chief, but all that we have will be far from sufficient.

“We shall have need of the active, aggressive, and enthusiastic cooperation of every man, woman, and child in the United States. \* \* \* ”

### **A challenge**

The Office of Production Management has accepted the responsibility and, in democratic fashion, has issued a challenge to every citizen of the land. I would like to take up this general appeal for the support of “every man, woman, and child in the United States” and particularize in terms of you who are here tonight. I should like to talk briefly about the need for the “active, aggressive, and enthusiastic cooperation” of the retailers of this country represented by the N. R. D. G. A.

One of the three divisions of the Office of Production Management is the Division of Purchasing, of which I am Director. This Division has an important part of the total job to perform.

We may have different roles to play in this gigantic program—different tasks to perform. But the best halfback in the world cannot go very far on a football field without 10 other men out in front clearing the way for him. And that is the point I should like to stress: that the relationship between the parts we must play in the program is the same relationship that exists between members of a team—a team that moves as a unit in the same direction, toward the same goal.

### **Identical objectives**

We who are charged with the management and strategy of the job have to call the signals and carry the ball but we need you as teammates to clear the way for us and keep it cleared. We are partners because our long-range objectives are identical.

Let me remind you that those in charge of the defense program are not

only responsible for the production and procurement of a vast array of defense items in staggering quantities, but we also are responsible for the impact of that program on the national economy. That means we are charged with preserving the basis upon which you can continue to carry on your businesses as free individuals operating within a free and fair economic system.

So the long-range objectives of Government and business and industry and labor are the same.

Our methods will be whatever legal means are calculated as the best instruments to provide free governments with the weapons of self-defense. Sometimes those methods will operate against the immediate short-term interests of individuals and groups. And in those cases we shall be put to a severe test. We shall be called upon for a practical demonstration of our ability and willingness to subjugate personal interest to national interests; our vision and statesmanship will be put to trial.

### **“Willing to subordinate . . .”**

These are not empty words. We might as well decide right here and now that unless every industrialist, every businessman and every wage earner is willing to subordinate his own short-term interests to the long-range interests of all of us, then this program will fall short, for the “surpassing urgency” referred to by the Office of Production Management clearly demands personal and business sacrifices.

The general nature of our problem in the field of purchasing is to find out as far in advance as possible the exact requirements of the Army, Navy, and foreign governments we are supplying with war equipment. We must place contracts for those items, whether they are four-engined bombers or shoe laces, with the factories best equipped to produce them and in such a manner that they can be turned out as rapidly, efficiently and economically as possible.

But let me make one thing clear about this matter of future requirements. The requirements of military and naval equipment for ourselves and our friends are limited by only one thing—the total capacity of every mine, factory, and mill in the country to produce such equipment.

We no longer are in a position to say

"We need so-and-so many 50-caliber machine guns."

What we now say is: "We need every 50-caliber machine gun that can be produced by the total coordination of every pound of material, every inch of factory space and every man-hour of work that can be mobilized for the job."

### No fixed limits

This is an all-out effort. There are no fixed limits save the limits imposed by physical and human capacity employed to their utmost.

We, in Government, shall do everything in our power so to plan and schedule the procurement of this equipment that it will have the least possible harmful effect on any business organization in the country. But at the risk of useless repetition let me say once more that defense must come first. This is our compelling task. If anything stands in the way it must make way.

I, for one, am convinced those persons whose individual interests conflict momentarily with the effective operation of the defense program will step aside, not grudgingly but gracefully and willingly, and offer the rest of us a hand in the bargain.

I ask you to cooperate with us by keeping us informed of conditions in your trade, by making voluntary adjustments in your normal business practices and profits when it is necessary, and by generally smoothing our path and facilitating our efforts. I urge you to adopt this attitude toward the defense program and our efforts to make it successful.

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## Annual joint training exercise of Army, Navy, and Marine Corps units in Puerto Rican waters

Commencing about January 21 and extending into February, the annual joint training exercise of units of the Army, Navy, and Marine Corps will be conducted in Puerto Rican waters. These exercises are scheduled in furtherance of the policy of the War and Navy Departments for obtaining coordination of effort through frequent joint training exercises.

Selected units of the First Division under command of Brig. Gen. J. Garesche Ord will comprise the Army contingent. Naval vessels participating will be from the Patrol Force, U. S. Fleet, Rear Admiral E. J. King, commanding. Marine Corps units will be from the First Marine Brigade, under Brig. Gen. H. M. Smith.

## Development of methods to solve the problem of buying eggs, butter, cheese, and poultry for the Army; meeting of industry spokesmen with the Division of Purchases

Ways to solve the problem of buying eggs, butter, cheese, and poultry for the Army are being worked out between representatives of the industry and the Division of Purchases of the Office of Production Management in cooperation with the Quartermaster Corps, Douglas C. MacKeachie, assistant to Donald M. Nelson, Director of the Division, announces.

The more than 50 representatives who met in Washington with Mr. MacKeachie and Col. Paul F. Logan, chief of subsistence of the Quartermaster Corps, will appoint a subcommittee to the Food Procurement Advisory Committee, which represents all branches of the food trades industry.

The Advisory Committee works with the Division of Purchases on food procurement problems through its subcommittees.

### Revise specifications

The subcommittee to be formed by the butter, egg, poultry, and cheese industries will assist in revising specifications, in developing proper inspection, and in working out the terms and conditions under which these products will be bought.

Representatives of the industry approved basic food procurement policies of the Quartermaster Corps requiring purchase by competitive bidding, as outlined by Col. Logan, and endorsed the proposal that the Army make full use of seasonal production in these commodities to prevent dislocation of civilian purchases.

### Industry spokesmen

Spokesmen for the industry at the conference, over which Lloyd Tenney, manager of the Chicago Mercantile Exchange, presided, were the following:

**Poultry.**—J. A. Liston, Chicago, Institute of American Poultry Industry, and George Schultz, New York, Mercantile Exchange;

**Eggs.**—C. L. Poole, New York, National Poultry, Butter and Egg Association, and Clyde Edmonds, Salt Lake City, Utah Poultry Producers Cooperative and Northwestern Turkey Growers Association;

**Butter.**—W. A. Gordon, St. Paul, National Association of Local Creameries;

**Cheese.**—George Mooney, Plymouth, Wisconsin, National Cheese Institute.

Government representatives at the meeting, besides Mr. MacKeachie and Col. Logan, were George Livingston, Agricultural Division, and Harold Rowe, of the Consumer Division of the Defense Commission.

John A. Logan, President of the National Association of Food Chains, and Secretary of the Food Procurement Advisory Committee, represented the Committee at the meeting.

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## 35,000-ton battleship in full commission April 11, more than two months ahead of schedule

The Navy announces that the 35,000-ton battleship *North Carolina* will be placed in full commission on April 11—more than 2 months ahead of schedule.

She will be the first U. S. battleship to be placed in commission since December 1, 1923.

The *North Carolina*, built at the New York Navy Yard, carries nine 16-inch guns and a heavy battery of antiaircraft and secondary broadside guns, and is equipped to carry three aircraft.

The 704-foot warship will join the fleet sometime in July, the Navy announces, and will be under the command of Capt. Olaf M. Hustvedt, of Decorah, Iowa.

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## NEW ARMY SONG BOOK

The War Department announces that, in line with efforts to maintain a high morale in the Army, a new official Army Song Book will be distributed to all components of the Army about February 1. The book is approximately 6 by 9 inches in size and is covered with Army blue. It contains 67 songs, selected on the basis of a poll of a representative group of soldiers. The first edition will be about 25,000 copies. The books will be the property of the United States Government.

# STATE AND LOCAL COOPERATION . . .

## Council of State Governments convenes for its fifth assembly; Cooperation in national defense is major subject of discussion

State and local action for national defense and such continuing problems as taxation, relief, and interstate trade barriers were under discussion this week by the Council of State Governments, meeting in Washington for its fifth general assembly.

Attending the biennial assembly were over 200 officials of the forty-eight States, including governors, legislators, attorneys-general, members of defense councils, and other official representatives.

Addresses were scheduled by the following State officials; Governor Harold E. Stassen, Minnesota; Governor Herbert H. Lehman, New York; the Honorable Ellwood J. Turner, member of the Pennsylvania General Assembly; the Honorable Arthur I. Burgess, member of the Massachusetts General Court; the Honorable Simeon E. Leland of Illinois; Governor Herbert R. O'Connor, Maryland; and Senator Robert C. Hendrickson, New Jersey.

### Speakers

Federal officials delivering major addresses: The Honorable Hatton W. Sumners, Chairman of the Judiciary Committee, U. S. House of Representatives; Secretary of the Navy Frank Knox; Attorney General Robert H. Jackson; Mr. William S. Knudsen, Director General, and Mr. Sidney Hillman, Associate Director General, Office of Production Management; Federal Security Administrator Paul V. McNutt; Mr. Charles E. Merriam, National Resources Planning Board; and Hon. Daniel W. Hoan, Associate Director of the Division of State and Local Cooperation, National Defense Advisory Commission.

The following are presiding officers at one or more sessions: Senator Edgar A. Brown, South Carolina, chairman of the board of managers of the council of State Governments; Governor Leverett Saltonstall, Massachusetts; Governor Burnet R. Maybank, South Carolina; Governor Frank M. Dixon, Alabama; Governor Murray D. Van Wagoner, Michigan; Gov-

ernor Harold E. Stassen, Minnesota; Governor Prentice Cooper, Tennessee.

### State responsibilities

Following a roll call of the States at the opening session, Governor Harold E. Stassen of Minnesota, president of the Council of State Governments, pointed out three responsibilities of those representing the governments of the States:

"First, and foremost as States of the Union, we must give united support regardless of geographical location or partisanship to the established foreign policy of the Federal Government.

"Second, we must make every possible cooperative contribution to the effective and rapid building and production of the means of national defense.

"Third, we must maintain strong and efficient State governments as one of the safeguards of the future liberty of our people in face of the inevitable great concentration of Federal executive power necessitated by the emergency."

Pointing out that the Council of State Governments has been rendering every assistance that it could in building and producing our national defense, he called attention to the fact that the director of the Council has been loaned to the National Defense Advisory Commission to serve as director of the Division of State and Local Cooperation. Facilitation of every part of the national defense program means more than a wholehearted response to requests from the National Government, he said. It means also alert anticipation of problems that will arise in the sphere of the States by reason of the Federal program, and accordingly he urged that experience and successful experiments by the State governments be called to the attention of the Division of State and Local Cooperation.

In conclusion, he stressed the fact that all steps that maintain the standing and respect of State governments will not only contribute to the strength of the Union, but will also constitute added safeguards to the liberty of the individual citizens of the Union.

### Imminent danger

The threat to our security both in a military and economic sense is not only greater than any with which we have ever been faced, but it is imminent, asserted Governor Herbert H. Lehman of New York in his address on "The States and the Present Emergency." "Fortunately the vast majority of our people realize this danger," he added. "We must do all in our power to strengthen our defenses. Time is of the essence. Every day may count. We cannot afford delay."

The big job facing us today, he said, is to make certain that all the industrial and labor resources of the respective States are made available to the Federal Government. These, in turn, depend upon full utilization of existing facilities of our cities, including schools, churches, homes, hospitals, power plants, water systems, gas and sewerage, police and a multitude of services, professional and civic, all established as going concerns and easily expanded to meet added demands.

He urged that creation of new plants should be considered only after existing facilities have been used, except in those cases where it is obvious that existing facilities cannot be adapted to special defense needs. In New York, he reported, marked progress has been made in convincing manufacturers of the advantages in using existing available facilities by farming out part of their work to other responsible firms. But a great deal still remains to be done.

### Wider publicity

He urged that Federal authorities give wider publicity and more detailed information concerning defense needs and possible bottle-necks in production. "The smaller manufacturers must know what is needed in order to ascertain how they may fit into the picture, and every effort must be made to see to it that large manufacturers do not, for selfish reasons or otherwise, refuse to farm out work when it will obviously speed up production."

Responsibility also rests upon private industry to use more initiative in seeking out defense work which it is equipped to perform, he said.

He urged that each State take steps to prevent a shortage of workers in trades essential to defense production through vocational training and upgrading.

The States and localities are anxious to cooperate in the development of any plans necessary for protection of the civilian population, he said, but expressed it as his view that they cannot act effectively without direction from Federal authorities in such matters as construction of air raid shelters, the devising of methods of fire fighting and evacuation. On the other hand, certain precautionary measures for civilian populations can and should be taken by the States and cities on their own initiative; for example, State guards can be organized and plans for emergency mobilization of police units can be adopted.

### Unity of purpose

Mayor Daniel W. Hoan, Associate Director of the Division of State and Local Cooperation, National Defense Advisory Commission, in his address on January 22, emphasized that preparation for our national defense requires cooperative effort with unity of purpose throughout the country. He reviewed the work of the Division of State and Local Cooperation, which is directed toward this objective.

First task of the Division is to serve as a channel of communication between the Council of National Defense and its Advisory Commission and the State councils, and through the State councils with local councils in each State. Its second function is to receive reports, suggestions, and recommendations from defense councils in the States and be responsible for their routing and follow-up.

Its third duty is to keep State and local councils currently informed regarding the national defense program, particularly the specific activities in which the cooperation of State and local councils is required. Its fourth responsibility is to clear information between defense councils in different States regarding matters of council organization, administration, and activity.

Mayor Hoan characterized the method of operation of the Division of State and Local Cooperation and of the defense councils in the several States and municipalities as the essence of the democratic way: "The Division gives no orders; the people themselves, through their representatives in the State capitol or the town hall, solve their own problems, using the Division's personnel as a channel for information concerning Federal plans and policies and for technical advice in various fields.

### Conferences

When requests arise for assistance and advice in organizing a State or local council of defense, the Division renders all possible aid.

The Division calls conferences on special problems, such as those on emergency problems of public personnel and on defense fire protection, and sees that representative committees are set up to explore problems requiring further study. It clears with other Federal agencies on various defense problems confronting States and localities.

It is in the spirit of national unity that all levels of government and their representatives are attempting to act, he said, "to the end that when this world crisis is passed and the danger of attack has melted away, we shall not have forgotten that our forefathers built this great political structure on the safest of all foundations: strong and assertive local units of self-government."

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### STATE GUARD UNIFORMS

The War Department announces it will prescribe no uniform for State Guard organizations, but makes the provision that all such uniforms must be unmistakably different in appearance from that of the United States Army, Navy, or Marine Corps. They must be readily identifiable as the State Guard uniform.

In a move to prevent interference or competition with the procurement of uniforms for Federal forces, requests to purchase cloth and findings for the State Guard uniforms will be submitted to the War Department (through Corps Area commanders), listing types and quantities desired.

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### ENGINEER COMMITTEE

Secretary of War Stimson has appointed a committee of seven engineers, each representing a national engineering organization, to assist the War Department in technical matters relating to the collection, evaluation and dissemination of information of value in the protection of civilians and vital civilian properties in time of war.

Among the problems to be studied will be those pertaining to air-raid bomb shelters, water supply, and power.

Chairman of the Committee is Walter D. Binger, American Society of Civil Engineers.

## Implications of defense program for State finance—conference of Southern States, January 31

Implications of the national defense program for State finance will be considered at a conference of Southern States, January 31 to February 1, at the University of Alabama, sponsored by the Alabama Department of Revenue and the Bureau of Public Administration of the University, assisted by the Federation of Tax Administrators.

Financial experiences of Australia and Canada during World Wars I and II will be discussed by the Right Honorable R. G. Casey, Australian Minister to the United States and former Secretary of the Treasury of Australia, and Mr. Eric Cross, Member of Parliament and former Minister of Municipal Affairs of Ontario.

As defense activity increases in the United States, State administrators may soon face problems similar to those of these other Federal commonwealths.

Methods by which the States may meet the financial problems ahead will be analyzed in light of World War experience and Federal-State fiscal relationships since that time. Speakers are to include Federal officials, budget and tax administrators from the Southern States, and university faculty members.

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### ILLINOIS EMERGENCY DEFENSE COUNCIL

With organization of the Illinois Emergency Defense Council at a meeting called by Governor John Stelle on January 6, Illinois became the thirty-eighth State to set up an advisory and coordinating body for defense activities. Details of organization are to be perfected later.

Present membership includes the governor as *ex officio* chairman, Mr. Murray W. Baker of Peoria, general chairman, and eight other citizens who are to serve as chairmen in the following fields: Agricultural resources and production; civil protection; welfare and consumer interest; public works and housing; human resources and skills; industrial resources and production; public education and morale; public health. An executive director is to be appointed.

# LABOR DIVISION . . .

## Reduction of training time for performance of highly involved defense work under the Training-Within-Industry program; breaking down operations into many occupations

The training period for doing highly involved and delicate defense operations has been considerably cut down, with some less skilled labor being taught within three weeks to work with tolerances as fine as one ten thousandth of an inch under the National Defense Advisory Commission's training-within-industry program, it was announced this week by Sidney Hillman, associate director of the Office of Production Management. Mr. Hillman also heads the Commission's Labor Division under which the training program has been inaugurated.

This achievement has been reached by application of a process of up-grading skills within defense plants under the direction of Channing Dooley, who was borrowed from the Socony-Vacuum Corporation for this work. Mr. Dooley is assisted in this work by J. W. Dietz of Western Electric, William Conover of United States Steel, and M. J. Kane of American Telephone & Telegraph.

It is through this up-grading process that the Labor Division expects to solve many of the major problems concerned with maintaining an uninterrupted flow of skilled hands to tend the machines of defense when and where needed.

### Highest skill

The upgrading plan contemplates use by each worker of his highest skill. Under it, a top-notch machinist will be freed from devoting the usual 70 or 80 percent of his time to operations which could be handled by someone with lesser ability and will concentrate exclusively on tasks which use his most valuable skill.

Operations are broken down into their simplest components and new workers at first are trained to do only one thing well. They are then moved up, rung by rung, to other phases of the entire task until they have attained versatility and all-round ability, creating a new group of "sergeant mechanics" for U. S. industry.

An instance was the result of the request of the War Department for 300 lens grinders and as many instrument makers

who were needed to make gun sights in Army arsenals and, who, Mr. Dooley was told, could not be found.

Mr. Dooley consulted officers of major United States instrument-making concerns and reported to the Army that the problem could be solved by breaking down the job into several hundred different occupations. He explained that the training of a group of workers to make lenses can be done in a few weeks after the job has been analyzed and each separate operation has been defined in detail. The training must accustom each worker to the precision required, no greater tolerance than 1/10,000 inch from the specifications being allowed in some of the operations.

### 400 operations

As a result, production of range-finding instruments in Army arsenals was broken down into 400 operations, half of them done by persons without all-around skill. The machine-tool industry has adopted this method as a result of the efforts of Mr. Dooley and his assistants, and the system has spread to manufacturers in the airplane and other defense industries.

As explained in the report by Commissioner Hillman on the first six months of this training-within-industry program, the blueprints for the system have been drawn up, spot checks in plants throughout the country have shown its efficacy, and the Labor Division is ready to launch the program on a Nation-wide basis. During the coming year efforts will be made to have this system adopted by the majority of plants working on orders for the national defense program.

### On-the-job training

The program is concerned with instruction and up-grading of production workers, the establishment of trades apprenticeship, and the development of supervisors.

Shortly after establishment of the Labor Division, it was realized that an on-the-job training program would have to be initiated by the Defense Commission

to supplement the work of governmental and private training agencies. During the depression years, industry as a whole had relied on the vast pool of unemployed to meet the limited demand for additional workers and had discontinued normal training programs. The defense emergency, therefore, found many companies with no training facilities and little or no knowledge of how to set one up.

Soon after the appointment of the National Defense Advisory Commission, Mr. Owen D. Young was called down to Washington by Commissioner Hillman to advise on the problem of stimulating training-within-industry.

After study and discussion, an advisory committee of experts from both management and labor was appointed and came to Washington for a conference July 24. Out of this conference came the broad outlines of the program and the appointment of Mr. Dooley and Mr. Dietz to direct it.

### Detailed plan

After many conferences with top-ranking industrialists and labor leaders throughout the country, a detailed plan to render the following four types of assistance was worked out:

(1) Help in the analysis of training needs.

(2) Aid in setting up a program in each defense plant to meet these needs.

(3) Servicing of industrialists through a clearing house which would make available to them the experience of other plants throughout the country facing similar problems.

(4) Acquainting of plant management with the services of government agencies operating in the field of employment and training.

After research and study in the field to obtain first-hand information and many conferences in Washington with labor and management representatives of specific defense industries, the details of this training program were worked out and made available to industry through a series of Training-within-Industry bulletins under the following headings:

The Training within Industry Program; Upgrading within Industry; Expediting Production through Training; How to Prepare Instructors to Give Intensive Instruction; Expediting the Training of Skilled Tradesmen; Strengthening the Managerial Organi-



zation; Expanding the Managerial Organization; Improving Supervision; and Helping the Experienced Worker to "Break In" a New Man.

Several thousand of these bulletins have been sent out to manufacturers and to representatives of organized labor and governmental agencies.

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## Satisfactory coke situation; adequate supply for the full requirements of steel industry

A recent survey of the steel industry shows that all companies are more than adequately supplied with full requirements of coke, even at present capacity operations, it is announced by J. D. Biggers, Director of the Division of Production, Office of Production Management. Indications are that this satisfactory condition will be maintained.

Most steel companies are producing sufficient coke to meet their own requirements. Other companies are buying by-products and beehive coke, and, in some cases, importing coke from England to meet present requirements. Some companies are known to be increasing their inventories.

### Emergency stocks

Some excess stocks are available at eastern foundries for emergency cases and this condition appears to be general.

Furthermore, no shortage of household coke is known to exist. Moreover, the demand for household coke will decrease considerably after the next few winter months and the supply now going into household use will be available for industrial purposes.

### Byproduct coke

Construction of considerable new by-product coke capacity is now under way. It is estimated that new capacity for approximately three million to four million tons will be in production by the end of the current year.

This new output will gradually become available beginning within the next few months. Further plans for considerable additional byproduct coke capacity are known to be under consideration. All these factors point to an eventual supply of sufficient domestic byproduct coke to meet all requirements of the iron and steel industry operating at full capacity.

# AGRICULTURE . . .

## Acceptance of recommendation that farm families forced off land by defense projects be given priority for jobs

Members of farm families forced off their land by defense projects will be given priority for construction jobs on the defense projects that displaced them, according to a recommendation submitted by the Agricultural Division and accepted by the Labor Division of the National Defense Advisory Commission.

Workers living within commuting range of a defense project also will be given preference. Employment of local labor is particularly important because of the serious housing problem raised by migration.

A complete list of all displaced farm workers desiring employment on construction will be provided the United States Employment Service by the Agricultural Division, with the cooperation of the Department of Agriculture.

Workers in rural areas are being advised to register with the United States Employment Service if they are entitled to preference. A local worker is defined as any individual who lives within commuting range of the site of the defense project and who has a permanent address in the area. Trailers, tents, and other temporary living quarters will not be regarded as permanent residences.

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## AGRICULTURE CONSULTANTS

Mr. Philip H. Groggins of the Bureau of Agricultural Chemistry and Engineering of the Department of Agriculture, has been appointed a consultant in the Agricultural Division. Mr. Groggins will aid in handling problems dealing with the production of fertilizer and with nitrate and ammonia requirements under the defense program.

Mr. Read Dunn, Secretary and Manager of the Delta Council at Stoneyville, Miss., has been appointed a consultant in the Agricultural Division. Mr. Dunn will handle new uses for farm products in the defense program, with particular emphasis on cotton.

## Supplies of the most important vegetable seeds sufficient—announcement by Chester Davis

Supplies of most of the important vegetable seeds are sufficient to meet planting needs of the United States for this year, Chester C. Davis, member of the National Defense Advisory Commission, announces.

This statement was based on an inventory of commercial vegetable seeds conducted by the Seed Committee of the Interdepartmental Conference Committee on National Food Resources, on the basis of information submitted by the seed industry.

### Wide survey

The Seed Committee is headed by George C. Edler, Senior Marketing Specialist of the Agricultural Marketing Service of the Department of Agriculture, who had associated with him seed specialists from the Department of Commerce, the United States Tariff Commission, and bureaus of the Department of Agriculture.

The survey covered 227 commercial vegetable seed producers and dealers, including practically all of the principal concerns in the country. It was the first comprehensive survey of the vegetable seed situation in 21 years.

### Concern for 1941

More than 50 kinds of vegetable seeds were covered by the survey, which included many varieties and types. Stocks of 36 vegetable seeds were found to be smaller than those of a year ago while 14 seed stocks showed an increase during the year.

Since many of the vegetable seeds are normally imported from Europe and Africa, there was some concern over supplies for 1941 planting due to the international situation. The survey indicates that both commercial growers and house gardens will be able to make normal plantings of vegetables.

### Report available

A complete report of this survey may be had upon request to the Agricultural Marketing Service of the United States Department of Agriculture.

## Compilation of defense contracts cleared and awarded between January 1 and 15

The following is a compilation of contracts cleared and awarded during the period January 1 to January 15, 1941, inclusive. These contracts were cleared by the National Defense Advisory Commission and awarded by the War and Navy Departments and the Maritime Commission in the approximate amount of \$393,200,000.00.

Contracts of \$500,000 or more are cleared by the Production Division of the National Defense Advisory Commission.

### EQUIPMENT AND SUPPLIES

#### ARMY

Corbetta Construction Co., Inc.; warehouses at Columbus General Depot, Ohio; New York, New York; \$2,357,000.00

E. I. duPont de Nemours and Company; increased facilities for the manufacture of smokeless powder at the Indiana Ordnance Works, Charlestown, Indiana; Wilmington, Delaware; \$23,000,000.00

Fruin-Colnon Contracting Co., Fruco Construction Co., and Massman Construction Co.; architects and engineers; Giffels and Vallet, Detroit, Michigan; A. J. Brandt, Inc., Detroit, Michigan; Mauren, Russell, Crowell and Mullgardt, St. Louis, Missouri; Construction of plant for the manufacture of small arms ammunition at St. Louis, Mo. (Cost-plus-fixed-fee-basis); St. Louis and Kansas City, Missouri; \$11,819,400.00

National Acme Company; Machines; Cleveland, Ohio; \$1,971,330.00

Pearson Construction Co., Inc.; warehouses at Jeffersonville Q. M. Depot, Indiana; Benton Harbor, Michigan; \$708,000.00

Ford J. Twaits Co., and Morrison-Knudsen Co. Inc.; miscellaneous buildings at Fort Ord Military Reservation, Calif.; Los Angeles, Calif.; \$1,351,642.00

#### NAVY

Bohn Aluminum & Brass Corp.; acquisition, construction and installation of additional plant facilities and equipment for manufacture of parts for airplane engines; Detroit, Michigan; \$1,216,000.00

Brown and Root, W. S. Bellows and Columbia Construction Co.; Naval Air Station, Corpus Christi—access roads, etc.; \$679,315.00

Camden Forge Co.; acquisition and installation in the company's present plant of special additional equipment and facilities required for the production of heavy forgings; Camden, New Jersey; \$3,125,619.00

Ex-Cell-O Corp.; manufacture of aircraft engine parts; Detroit, Michigan; \$1,669,678.00

Fairchild Engine & Airplane Corp.; acquisition, construction and installation of additional plant facilities and equipment; Farmingdale, Long Island, New York; \$1,478,800.00

Gibbs Gas Engine Co. of Florida; Sweepers, mine; Jacksonville, Florida; \$640,000.00

Hughes-Foulkrod Co.; buildings and dispensary, Philadelphia—ext. structural shop, welding sheds and welding rooms in Turret Shop, etc.; \$584,100.00

The Midvale Co. of Nicetown; armor; Philadelphia, Pa.; \$1,658,208.31

Revere Copper & Brass, Inc., Baltimore Div.; brass, copper; Baltimore, Md.; \$567,379.72

Reynolds Metal Co.; Construction of a plant for the manufacture and assembly of Ordnance equipment 2½ miles south of Macon, Ga.; Richmond, Va.; \$1,673,315.00

Todd Galveston Dry Docks, Inc.; Acquisition, construction, and installation of additional plant facilities, including a floating dry-dock with attendant facilities; Galveston, Tex.; \$2,254,342.75

Westinghouse Electric & Manufacturing Co.; Construction of a Naval Ordnance Plant at Canton, Ohio; Pittsburgh, Pa.; \$16,000,000.00

Willamette Iron and Steel Corp.; Construction of mine-layers (Cost-plus-fixed-fee basis); Portland, Ore.; \$24,000,000.00

#### MARITIME COMMISSION

California Shipbuilding Co.; Construction of shipyard facilities, eight ways; Los Angeles, Calif.; \$4,766,000.00

Houston Shipbuilding Co.; Construction of shipyard facilities, six ways; Houston, Tex.; \$4,680,000.00

Oregon Shipbuilding Co.; Construction of shipyard facilities, eight ways; Portland, Ore.; \$4,787,000.00

### ORDNANCE EQUIPMENT

#### NAVY

Bethlehem Steel Co.; Gun forgings; Bethlehem, Pa.; \$7,275,484.10

Kelsey Hayes Wheel Company; Projectiles; Detroit, Mich.; \$1,239,000.00

### SHIP CONSTRUCTION AND REPAIR

#### NAVY

Bath Iron Works; \*6 destroyers; Bath, Me.; \$400,000.00 limiting cost of additional facilities.

Bethlehem Steel Co. (Shipbuilding Division); \*4 destroyers; Quincy, Mass.; \$800,000.00 limiting cost of additional facilities.

Bethlehem Steel Co. (Shipbuilding Division); \*3 destroyers; Staten Island, N. Y.; \$700,000.00 limiting cost of additional facilities.

Bethlehem Steel Co. (Shipbuilding Division); \*7 destroyers; San Francisco, Calif.; \$1,500,000.00 limiting cost of additional facilities.

Bethlehem Steel Co. (Shipbuilding Division); \*6 destroyers; San Pedro, Calif.; \$1,250,000.00 limiting cost of additional facilities.

Federal Shipbuilding and Dry Dock Co.; \*6 destroyers; Kearny, N. J.; \$2,250,000.00 limiting cost of additional facilities.

New York Shipbuilding Co.; \*2 Cruisers; Camden, N. J.

Seattle-Tacoma Shipbuilding Co.; \*5 destroyers; Seattle, Wash.; \$1,400,000.00 limiting cost of additional facilities.

Government Navy Yard; \*4 destroyers; Boston, Mass.

Government Navy Yard; \*2 destroyers; Philadelphia, Pa.

Government Navy Yard; \*2 destroyers; Norfolk, Va.

Government Navy Yard; \*2 destroyers; Charleston, S. C.

Total 49 destroyers—less 9; \$253,384,875.00. #

\*Contracts, not hitherto announced by the National Defense Advisory Commission, which have been cleared by the Defense Commission and awarded by the Navy Department.

# These destroyers are included in the contracts awarded for the construction of 40 additional destroyers at an estimated cost of \$253,384,875.00. Previous contracts awarded as follows for 9 destroyers have been canceled: Bethlehem Steel Co.; 3 destroyers; Staten Island, N. Y.; Bethlehem Steel Co.; 2 destroyers; San Francisco, Calif.; Bethlehem Steel Co.; 2 destroyers; San Pedro, Calif.; Federal Shipbuilding and Dry Dock Co.; 2 cruisers; Kearny, N. J.

### MISCELLANEOUS

#### NAVY

Associated Shipbuilders; \*4 seaplane tenders (small); Seattle, Wash.; \$700,000.00

Basalt Rock Co., Inc.; Barges, oil; Napa, Calif.; \$1,800,000.00

The Greenport Basin & Construction Co.; Coastal mine sweepers; Greenport, N. Y.; \$631,400.00

Ingalls Shipbuilding Co.; \*4 net layers; Pascagoula, Miss.; \$2,000,000.00

Lake Superior Shipbuilding; Barges, oil; Superior, Wis.; \$2,184,448.00

W. A. Robinson, Inc.; Coastal mine sweepers; Ipswich, Mass.; \$632,000.00

Sun Shipbuilding Co.; \*3 destroyer tenders, 3 seaplane tenders; Chester, Pa.; \$2,500,000.00

Willamette Iron and Steel Corp.; \*2 mine-layers; Portland, Ore.; \$1,000,000.00

Mine Safety Appliances Co.; Apparatus, submarine escape; protectors, eye and nose; Pittsburgh, Pa.; \$525,018.80

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## Plan to promote Army's eligible lieutenants in blocks and on the same day, with the exception of officers in the Air Corps

All Reserve lieutenants eligible for temporary promotion under recent War Department authority will be promoted in blocks and on the same day at each post, camp or station, or detached installation, except for Air Corps officers, it is announced by the War Department.

Acceptance of promotions on the same day also was made mandatory by the War Department to preserve the existing relative rank of Reserve officers in a given locality.

Because the Air Corps has had some Reserve officers on extended active duty longer than those of any other branch, a separate procedure will be followed for this arm. The War Department has authorized the Chief of the Air Corps to submit recommendations for temporary promotion of all eligible Air Corps Reserve lieutenants at one time, and to effect their temporary promotion simultaneously.

Reserve first lieutenants to be eligible for temporary promotion must have served, prior to September 9, 1940, at least three years on extended active duty. There are approximately 100 such officers, all Air Corps officers, who will be promoted temporarily to captain.

One year's extended active duty prior to September 9, 1940, is necessary to qualify Reserve second lieutenants for temporary promotion to the grade of first lieutenant. Of the approximately 1130 officers so affected, about 600 are Air Corps officers while the remainder are from the other arms and services.

No further "block" promotion of Reserve officers is contemplated at this time.

## Maintenance of the rights of individuals to have scruples against bearing arms--- statement by director of Selective Service

Calling upon all Selective Service local boards to administer with sympathy the law and regulations relating to conscientious objectors, C. A. Dykstra, director of Selective Service, recently declared that the rights of individuals to have scruples against bearing arms must be maintained.

Mr. Dykstra pointed out that the Selective Service Act provides protection for the rights of conscientious objectors and prohibits forcing them into combatant training and service.

Mr. Dykstra said:

"One of the attributes of freedom of conscience is the individual right to have scruples about bearing arms. Just as this right is recognized in England, so in the United States this protection to individuals is guaranteed in the Selective Service Act.

### Act quoted

"Section 5, Paragraph 'G', reads as follows: 'Nothing contained in this Act shall be construed to require any person to be subject to combatant training and service in the land or naval forces of the United States who, by reason of religious training and belief is conscientiously opposed to participation in war in any form.'

"The Act further provides that such persons may be assigned to noncombatant work in the land or naval forces or, if opposed even to noncombatant service, may be assigned to other work of national importance under civilian direction."

The Director said that plans were being put into effect to make provision for all conscientious objectors—those who object to combatant service and those who object even to noncombatant work.

President Roosevelt, Mr. Dykstra recalled, recently issued an Executive order which included service in medical and other unarmed units as noncombatant service.

### Experimental plan

In addition, the Director said:

"We have a plan—experimental for the time, which is being put into operation. Certain abandoned Civilian Conservation Corps camps and some camps set up by voluntary groups in State and

National areas in the last few years are to be put back into service as conscientious-objector camps.

"Here work in forestation, soil conservation, and the like will be planned and executed. Agents of the Departments of Agriculture and the Interior will plan and supervise the technical details of the undertaking.

"Over-all supervision will be the responsibility of Selective Service Headquarters."

### "Sympathy and understanding"

Food, clothing, and hospitalization will be furnished at the direction of Selective Service, the Director said.

He declared:

"In providing these two avenues of service for conscientious objectors, non-combatant assignments with armed forces and work of national importance under civilian direction, the Army and Selective Service together are carrying out scrupulously the mandate of the people of the United States. It is the responsibility of all local boards to administer with sympathy and understanding the provisions of the Act relating to conscientious objectors. The Congress has given us the job to do."

### "Honor the local boards"

Following Mr. Dykstra's statement regarding the local boards' responsibility in protecting the rights of conscientious objectors, Col. William H. Draper, Jr., member of the President's Advisory Committee on Selective Service, urged the Nation to "do honor to the local boards" which, he said, in the classification of registrants, are "classifying without fear or favor—selecting without prejudice."

Pointing out that Selective Service is decentralized and that the local boards bear the burden of choosing men for the armed forces, Col. Draper said: "They deserve and are receiving the complete cooperation of their communities and of the 16,000,000 men who have registered for service."

The local board must make the decision in each individual case, Col. Draper said, and he asserted that with 6,200 local boards in the Nation, there would be

some divergence of interpretation of law and regulations.

He said:

"Of course they can't be uniform in any absolute sense. The facts are not exactly the same in any two cases."

Local board members serve without pay, "giving to the country their devotion and self-sacrifice," Col. Draper declared.

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## No "service flag" for families of men selected for military training; opposition expressed by Director Dykstra

Opposition to proposals that some official symbol be designated for display by the families of men selected for military training was declared by C. A. Dykstra, Director of Selective Service.

Service to the Nation is a duty, he pointed out, and a basic philosophy of Selective Service is that everybody serves his country best by doing the job for which he is most qualified, needed, and available.

"I would hesitate to encourage anything that in spite of worthy intent would commercialize the performance of a patriotic obligation," Mr. Dykstra said, and he added:

"As long as this country is at peace, and as long as men inducted for military training remain in camps in this country, I am opposed to any symbol or emblem to designate the families of those engaged in military training.

"Selective Service will succeed to the extent that the American people accept military training as a normal obligation. One of the basic philosophies of Selective Service is that everybody serves his country best by doing the job for which he is most qualified, needed, and available. To provide some special gratuitous recognition of the families of men who are selected for military training would be an injustice to the families of those who serve in industry, agriculture, commerce, and other pursuits necessary to the maintenance of public health, safety, or interest."

Director Dykstra's statement was in answer, he said, to numerous suggestions he has received that apparently were inspired by memory of the "Service Flag" displayed in 1917-18 to indicate that members of a family were with the Nation's armed forces.

## List of 67 corporations receiving tax Certificates of Necessity through Jan. 15

The National Defense Advisory Commission announces that 67 corporations had been issued tax Certificates of Necessity through January 15, 1941.

The Certificates of Necessity are issued for the purpose of allowing the manufacturer to take advantage of the special 60-month income tax amortization provided under Section 124 of the Internal Revenue Code. If the plant additions made by contractors or subcontractors are found "necessary in the interests of national defense during the emergency period," the rapid amortization is granted.

The majority of the corporations which received Certificates of Necessity are expanding their facilities for the manufacture of machine tools and aircraft. Twenty-two of the sixty-seven Certificates call for new machine-tool facilities. Most of the remainder are engaged in processing raw materials for industrial consumption.

The Certificates issued through January 15 cover facilities costing over \$120,188,000. Cost figures given have been approximated to the nearest thousand. These figures are estimates only and are subject to audit by the Commissioner of Internal Revenue.

A list of the manufacturers who have received Certificates follows:

Ajax Manufacturing Co., Inc., Euclid, Ohio; forging machinery; \$174,000.  
 Allegheny-Ludlum Steel Corporation, Pittsburgh, Pa.; inspection gages; \$53,000.  
 American Gas Accumulator Co., Elizabeth, N. J.; flood lights; \$150,000.  
 American Screw Products Corporation, Newark, N. J.; screw machines; \$19,000.  
 American Smelting & Refining Co., New York, N. Y.; zinc smelting; \$400,000.  
 Barnes Drill Co., Rockford, Ill.; tools; \$85,000.  
 Beech Aircraft Corporation, Wichita, Kans.; aircraft; \$1,620,000.  
 The Bell Aircraft Corporation, Buffalo, N. Y.; aircraft; \$1,095,000.  
 Bethlehem Steel Co., Bethlehem, Pa.; coke, pig iron, steel ingots; \$20,390,000.  
 Bilgran Gear & Machine Works, Philadelphia, Pa.; machine tools; \$10,000.  
 Boeing Aircraft Co., Seattle, Wash.; aircraft; \$10,737,000.  
 Boeing Airplane Co., Wichita, Kans.; aircraft; \$253,000.  
 Bryant Chucking Grinder Co., Springfield, Vt.; internal grinders; \$189,000.  
 Bullard Co., Bridgeport, Conn.; lathes; \$1,138,000.  
 Chambersburg Engineering Co., Chambersburg, Pa.; forging and pressing equipment; \$600,000.  
 Cincinnati Milling Machine Co., Cincinnati, Ohio; milling machines; \$9,116,000.  
 Clark Equipment Co., Buchanan, Mich.; axle housings and transmissions for trucks; \$2,580,000.

Cleveland Automatic Machine Co., Cleveland, Ohio; automatic screw machines; \$75,000.

Cleveland Twist Drill Co., Cleveland, Ohio; twist drills and reamers; \$399,000.

Consolidated Aircraft Corporation, San Diego, Calif.; aircraft; \$3,090,000.

Cooper-Bessemer Corporation, Mount Vernon, Ohio; engines and steel products; \$321,000.

Cramp Shipbuilding Co., Philadelphia, Pa.; shipbuilding; \$10,000,000.

DeLaval Steam Turbine Co., Trenton, N. J.; oil pumps; \$498,000.

Dewey & Almy Chemical Co., Cambridge, Mass.; soda lime; \$27,000.

Donner-Hanna Coke Corporation, Buffalo, N. Y.; coke and byproducts; \$3,000,000.

Eclipse Counterbore Co., Detroit, Mich.; cutting tools; \$105,000.

Edlund Machinery Co., Cortland, N. Y.; drilling machines; \$27,000.

Fafnir Bearing Co., New Britain, Conn.; ball bearings; \$1,330,000.

Fairchild Engine & Airplane Corporation, New York, N. Y.; aircraft; \$1,372,000.

Fosdick Machine Tool Co., Cincinnati, Ohio; machine tools; \$34,000.

Geometric Tool Co., New Haven, Conn.; screw thread tools; \$54,000.

Gleason Works, Rochester, N. Y.; machine tools; \$305,000.

Greenfield Tap & Die Corporation, Greenfield, Mass.; gages; \$1,009,000.

Crumman Aircraft Engineering Corporation, Bethpage, Long Island, N. Y.; aircraft; \$3,500,000.

Hanna Furnace Corporation, Detroit, Mich.; pig iron; \$1,250,000.

Heald Machine Co., Worcester, Mass.; grinding and finishing machines; \$2,061,000.

Humble Oil & Refining Co., Houston, Tex.; oils and pipe equipment; \$1,097,000.

Independent Pneumatic Tool Co., Chicago, Ill.; pneumatic tools; \$613,000.

Johnson & Johnson, New Brunswick, N. J.; surgical cotton and gauze; \$350,000.

Jones & Lamson Machine Co., Springfield, Vt.; grinders, lathes, dies, and taps; \$447,000.

Kingsbury Machine Tool Corporation, Keene, N. H.; machine tools; \$209,000.

Lapointe Machine Tool Co., Hudson, Mass.; breeching machines and tools; \$35,000.

Lees-Bradner Co., Cleveland, Ohio; machine tools; \$183,000.

Lindberg Engineering Co., Chicago, Ill.; heat treating furnaces; \$150,000.

Manley & Mount St. Realty Corporation, Weehawken, N. J.; hospital equipment; \$201,000.

Maryland Drydock Co., Baltimore, Md.; ship repairs; \$590,000.

Monarch Machine Tool Co., Sidney, Ohio; lathes; \$385,000.

Nevada-Massachusetts Co., Sonoma, Calif.; tungsten products; \$400,000.

New Britain Machine Co., New Britain, Conn.; machine tools; \$915,000.

Northwest Magnesite Co., Pittsburgh, Pa.; magnesite; \$315,000.

Ohio Machine Tool Co., Kenton, Ohio; boring and milling machines; \$47,000.

Pangborn Corporation, Hagerstown, Md.; dust-collecting equipment; \$135,000.

Permanente Corporation, Oakland, Calif.; magnesium oxide and metallic magnesium; \$6,500,000.

Reed-Prentiss Corporation, Worcester, Mass.; engines, lathes, and milling machines; \$167,000.

Ryan Aeronautical Co., San Diego, Calif.; aircraft; \$333,000.

William Sellers & Co., Inc., Philadelphia, Pa.; drilling and planing machines; \$87,000.

Sier-Bath Co., Inc., New York, N. Y.; precision gears; \$170,000.

Sivyer Steel Casting Co., Milwaukee, Wis.; steel castings, tanks, and tractors; \$110,000.

A. O. Smith Corporation, Milwaukee, Wis.; bomb parts; \$1,157,000.

Southern Railway Co., Richmond, Va.; transportation; \$7,576,000.

Summerill Tubing Co., Bridgeport, Pa.; seamless tubing; \$91,000.

Tennessee Copper Co., New York, N. Y.; sulphuric acid; \$1,100,000.

Universal Cyclops Steel Corporation, Bridgeville, Pa.; steel ingots; \$100,000.

Warner & Swasey Co., Cleveland, Ohio; turret lathes; \$1,894,000.

Westinghouse Electric & Mfg. Co., Pittsburgh, Pa.; marine propulsion machinery; \$5,670,000.

Western Land Improvement Co., Santa Monica, Calif.; aircraft; \$11,255,000.

Woodward Governor Co., Rockford, Ill.; governors, propeller, engine, and wheel; \$840,000.

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## Activation of military police battalion; eight others within the next five months

The War Department announces activation of one Military Police battalion. At the same time, it says that eight other Military Police units will be activated within the next 5 months.

The unit already activated is the 518th Military Police Battalion, which has been assigned to garrison Fort Jay in New York harbor. With a total strength of approximately 1,050 officers and enlisted men, this battalion is organized into a headquarters company and four rifle companies.

Two additional Military Police battalions will be activated in February. One, the 701st M. P. Battalion, will be stationed at Fort Snelling, Minnesota, and the other at Fort Brady, Michigan.

Constituted for the primary purposes of performing guard duties and of cooperating with civilian agencies in maintaining order, each will have a total strength of more than 600 officers and enlisted men.

A fourth Military Police Battalion will be organized as an army unit at Camp Sibert near Boulder City, Arizona, about June 1941, to aid in guarding Boulder Dam.

Five Military Police companies, each having an approximate strength of 210 officers and enlisted men, will also be activated for assignment as Army Corps troops in February 1941, and will be stationed at Camp Shelby, Mississippi; Camp Bowie, Texas; Camp Blanding, Florida; Fort Lewis, Washington; and Fort McClellan, Alabama, according to War Department plans.

# DEFENSE

★ OFFICIAL BULLETIN  
★ of the NATIONAL DEFENSE  
★ ADVISORY COMMISSION  
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## The Navy's broad program for subletting contracts to stimulate production of machine tools; summary of the week

Secretary of the Navy Knox said the Navy is undertaking a broad program to sublet contracts among small concerns to stimulate production of machine tools and parts.

"We are ordering machine tools as rapidly as possible and tying in the small subcontractors with the prime contractors whenever possible," the Secretary said. "The contractors assume the whole responsibility for carrying out the contract and for the subcontractors. It means spreading the work and getting quicker delivery."

The House passed and sent to the Senate legislation designed to increase the personnel under training at the Naval Academy and provide more officers for the fleet. The bill increased from four to five the number of Annapolis appointments allowed each member of Congress, raised from 50 to 100 the number of naval reservists taken each year at Annapolis, and from 15 to 25 the number of midshipmen the President may appoint to the Academy.

The House also passed and sent to the Senate the remainder of a Navy request for authority to build \$1,209,000,000 of ships, shipyards, gun, and ordnance factories. The bill would authorize the Navy to—

1. Build 400 auxiliaries at a cost of \$400,000,000.
2. Spend \$315,000,000 to supply the shipyard facilities for these vessels and other parts of the Navy.
3. Spend \$194,000,000 for more gun and armor factories to keep the supply of this equipment abreast of the shipbuilding speed-up.

### Health and welfare

Federal Administrator McNutt called attention to "danger signals" affecting the Nation's health which he said necessi-

tated: (1) Additional medical service for civilians and military forces; (2) extension of scientific knowledge; (3) improvement of civilian health with special attention to curing physical defects of men eligible for military service and the men, women, and children with substandard health; (4) industrial hygiene in relation to workers in defense industries; and (5) essential medical materials be assured to meet demands in event supply is cut off.

### Labor

Secretary of Labor Perkins said she would like to see "many more agreements" between employers and employees, calling for "no stoppages of work" pending the exhaustion of all methods of conciliation, mediation, and arbitration. The Secretary pointed out that most contracts negotiated by companies and unions with the help of the Conciliation Service participated included a clause embodying this agreement.

At his Friday press conference, President Roosevelt said, considering the size of the country, he thought the delays in the defense program caused by strikes have been small and the national defense picture was very encouraging despite a few labor disputes in several plants manufacturing defense material. (See also the article on p. 10.)

### "Moral embargo"

The State Department announced that the United States had advised Russia that President Roosevelt's "normal embargo" against shipping of airplanes to Nations that bomb civilian populations is no longer considered applicable to the Soviet Union. In a letter to the Soviet Ambassador, Under Secretary Welles added "this decision is being communicated to interested American manufacturers and exporters."



# DEFENSE

## Agreement by the scrap and secondary zinc industry to prepare a report on how the requirements of customers may be met

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### Charter rates decrease

Chartering rates on oil tankers have decreased substantially in the last month and are not expected to go as high in the next few months as they were in December, the Maritime Commission announces. The Commission noted that its announcement of December 19, that there was adequate tanker tonnage available for the needs of this country, had been borne out and that sufficient tonnage would be available for the rest of the winter.

Representatives of the scrap and secondary zinc industry have agreed to prepare a report on how the requirements of customers may be adequately met, Price Stabilization Commissioner Leon Henderson of the National Defense Advisory Commission announces.

Preparation of the report, which is expected to take a few days, was decided upon at a meeting of representatives of the producers of secondary zinc, and the Price Stabilization Division of the National Defense Advisory Commission, in Washington, last Thursday.

Officers of the National Association of Waste Material Dealers attended the conference and discussed the present situation in the markets for both scrap zinc and secondary zinc, the bulk metal obtained by processing the scrap.

### Scrap price up

Although the price of primary zinc has remained at 7.25 cents per pound at East St. Louis for the past 4 months, some producers of secondary zinc have recently been charging premiums above the price. At the same time the price of zinc scrap, source of the secondary zinc, has jumped sharply.

It is clear that the actual tonnage of metal which has been sold above the base price is very small compared to the total sales of primary and secondary zinc. Nevertheless, these sales are undoubtedly an unsettling influence on the market. At the same time, some secondary producers and scrap dealers have contributed to the situation by "overreaching"—trying for the highest price obtainable.

### Consumers anxious

In addition, consumers have been made unduly anxious by exaggerated rumors of shortages and high prices. In this connection Price Stabilization Division officials point out that additions to the primary zinc smelting capacity of the United States in the first half of this year will amount to about 100,000 tons.

Those present at the meeting included Commissioner Henderson, C. A. Bishop and Donald Wallace of the Price Stabilization Division of the NDAC; President Harry Goldstein and Secretary Charles Haskins of the National Association of

Waste Material Dealers; and 15 representatives of both large and small producers of secondary zinc in the East and Middle West.

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## The specific noncombatant units to which conscientious objectors can be assigned—statement from the War Department

The War Department has announced the specific noncombatant units or installations to which conscientious objectors could be assigned, at the same time making a provision to permit any conscientious objector, through a voluntary request in writing, to be later assigned to combatant services of the Army.

Trainees whose status as conscientious objectors has been established will not be transferred from noncombatant to combatant service although such a classification will not prevent their reassignment to some other form of noncombatant service.

The commanding officers of units or installations receiving such personnel will be held responsible for compliance with the requirement that the individual's assignment is such that he will not be required to bear arms or be trained in their use.

The field forces to which objectors can be assigned:

Any unit of the Medical Department.

Any unit of the Quartermaster Corps except those organically assigned to divisions or smaller units.

Decontamination companies only of the Chemical Warfare Service.

Construction units, photographic units, depot units, repair units, or pigeon units of the Signal Corps.

Any unit of the Corps of Engineers except combat units, general service units, separate battalions, pontoon battalions.

Any unit or installation of Corps Area Service Commands or War Department overhead except Replacement Center units of the Infantry, Cavalry, Field Artillery, Coast Artillery Corps, Air Corps, Ordnance Department, Armored Force, and Military Police units.



## Compilation of contracts cleared and awarded between January 16 and 22

The following is a compilation of contracts cleared and awarded during the period January 16 to January 22, inclusive. These contracts were cleared by the National Defense Advisory Commission and awarded by the War and Navy Departments in the approximate amount of \$111,007,800.

Contracts of \$500,000 or more are cleared by the Production Division of the National Defense Advisory Commission.

### AIRCRAFT

#### NAVY

Brewster Aeronautical Corp.; airplanes; Long Island, New York; \$4,544,287.

### EQUIPMENT AND SUPPLIES

#### ARMY

E. B. Badger & Sons; For construction and installation of equipment of a TNT and DNT plant at Sandusky, Ohio, to be operated by the Trojan Powder Co., of Allentown, Pa. (cost - plus - fixed - fee basis); Boston, Mass.; \$9,388,330.

Continental Motors Corps.; \*aeronautical engines and spare parts; Detroit, Mich.; \$10,715,019.

Diamond T Motor Co.; \*trucks; Chicago, Ill.; \$3,112,360.

Fargo Motor Corp.; \*trucks; Detroit, Mich.; \$8,775,645.

Fargo Motor Corp.; \*ambulances; Detroit, Mich.; \$1,272,240.

The H. K. Ferguson Co. and the Oman Construction Co.; *architect and engineer*: The H. K. Ferguson Co., Cleveland, Ohio; construction of an ammunition loading plant known as the Wolf Creek Ordnance Plant, at Milan, Tenn., to be operated by the Procter & Gamble Defense Corp., of Cincinnati, Ohio (cost - plus - fixed - fee basis); Cleveland, Ohio, and Nashville, Tenn.; \$8,514,370.

Goode Construction Co. and Blythe Bros., Inc.; Construction of an airport at Charlotte, N. C. (cost - plus - fixed - fee basis); Charlotte, N. C.; \$1,187,127.

The Heil Co.; \*trailers and dollies; Milwaukee, Wis.; \$992,550.

Humble Oil & Refining Co.; \*engine fuel; Houston, Tex.; \$1,416,330.

J. A. J. Construction Co.; \*general hospital, including utilities thereto at Fort

Dix, N. J.; New York, N. Y., \$1,828,000.

W. E. Kirer Construction Co.; \*supplemental contract for temporary buildings at San Diego, Calif.; San Diego, Calif.; \$599,547.

T. A. Loving & Co.; \*additional construction of temporary buildings at Fort Bragg, N. C. (negotiated cost-plus-fixed-fee contract); Goldsboro, N. C.; \$13,861,593.

Mason & Hanger Co.; construction of a bag-loading plant, near Pulaski, Va., to be operated by the Hercules Co., Wilmington, Del.; New York, N. Y.; \$9,376,390, (cost-plus-fixed-fee basis).

McCloskey & Co.; *architect and engineer*: Graham, Anderson, Probst & White, Chicago, Ill.; \*construction of air base, Borinquen Field, Puerto Rico; Philadelphia, Pa.; \$4,763,750.

Nash-Kelvinator Corp.; \*trailers; Detroit, Mich.; \$3,063,750.

Phillips Petroleum Co.; \*engine fuel; Bartlesville, Okla.; \$1,043,444.30.

Shell Oil Co., Inc.; \*engine fuel; New York, N. Y.; \$2,530,876.88.

Standard Oil Co. of California; \*engine fuel; San Francisco, Calif.; \$828,980.

J. P. Stevens & Co., Inc.; \*cloth, cotton, wind-resistant, 2,550,000 yards; New York, N. Y.; \$1,281,375.

Tide Water Associated Oil Co.; \*engine fuel; San Francisco, Calif.; \$510,725.

W. Horace Williams Co.; *architect and engineer*: The Benham Engineering Co., Oklahoma City, Okla.; construction of a cantonment near Leesville, La., to be known as Camp Polk; New Orleans, La.; \$7,294,227.

#### NAVY

The Aviation Corp. (Republic Aircraft Products Division); construction, acquisition and installation of additional plant facilities and equipment at the Aviation Corp. plant. This expansion includes the acquisition and installation of additional machinery, equipment and tools for the manufacture of aircraft engine parts; Detroit, Mich.; \$532,000.

E. I. duPont de Nemours & Co., Inc.; \*expansion of powder manufacturing facilities at the Naval Powder Factory, Indian Head, Md.; Wilmington, Del.; \$3,490,000.

Lukens Steel Co.; acquisition, construction, and installation of additional plant facilities, including buildings extensions and additions and associated mechanical equipment and machinery for increasing the productive capacity of a

206-inch mill at the plant of the Lukens Steel Co.; Coatesville, Pa.; \$2,160,000.

### ORDNANCE EQUIPMENT

#### ARMY

Norwalk Lock Co.; \*artillery ammunition components; South Norwalk, Conn.; \$2,910,000.

Scovill Manufacturing Co.; \*artillery ammunition components; Waterbury, Conn.; \$3,780,000.

### MISCELLANEOUS

#### ARMY

New Jersey Fulgent Co., Inc.; \*flares; Metuchen, N. J.; \$639,960.

R. C. A. Mfg. Co., Inc.; \*radio sets; Camden, N. J.; \$594,992.70.

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## Executive order empowering the paroling of violators of the Selective Service Act

President Roosevelt has issued an Executive order empowering the Attorney General to parole violators of the Selective Training and Service Act on recommendation of the Selective Service Director, if they agree to undergo 12 months of training as provided by the act.

In recommending the parole of any man, the Selective Service Director must specify the status in which the parolee is to be placed, as follows: 1. Induction into the armed forces; 2. Induction into the military forces but only for noncombatant service; 3. Assignment to work of national importance under civilian direction; 4. Assignment of those special cases which do not come under any one of the first three recommendations.

Selective Service Director Dykstra said: "Ordinarily all person convicted under a Federal statute must serve at least one-third of the sentence imposed before becoming eligible for parole. The Executive order signed by President Roosevelt, therefore, is a distinct leniency to violators of the Selective Service Act, who repent of misguided or emotional actions."

Under the order men between the ages of 21 and 36 years may be paroled only if they agree to serve their 12 months of training. Paroles will be revoked automatically if they fail to fulfill their obligation. Men or women who have been convicted of aiding or abetting violators of the act, may be paroled solely at the discretion of the Attorney General.

\*Contracts, not hitherto announced by the National Defense Advisory Commission, which have been cleared by the Defense Commission and awarded by the War and Navy Departments.

## Transcript of Mr. Knudsen's conference; discussion with the press of many phases of the work of the Office of Production Management

Following is the transcript of a press conference held by William S. Knudsen, director general of the Office of Production Management on January 22. The "Q" indicates a reporter's question. The "K" precedes Mr. Knudsen's reply.

Q. I have just received a telegram saying the CIO goes on strike at Allis Chalmers plant, throwing 7,000 men out of work and \$26 million on defense orders involved.

K. When?

Q. Today.

K. What time?

Q. The telegram was sent at 2:34 p. m.

K. I will find out.

Q. What is the general policy of the OPM in such cases?

K. We immediately get Hillman's division working on them. So far, we have been successful in holding the stoppages down to a minimum. Mr. Hillman is in the hospital. (Isador) Lubin (assistant to Mr. Hillman) and his organization get on the job with Steelman of the Labor Department.

Q. Any plan for setting up a labor unit in OPM?

K. Hillman is getting that arranged for.

Q. Will that take the place of the labor (Labor Division) set-up in the Defense Commission?

K. I think it will be moved like we have moved production. (Division of OPM.)

Q. Would you comment further on your report at Jesse Jones' party the other night? We assumed that it was off the record.

K. I have made one since. I spoke extemporaneously. I didn't expect to be called on. I talked about things in general.

Q. Let's talk about things in general.

K. Starting with what?

### Tooling up

Q. If you could give us a picture of how you review the picture today.

K. The biggest part of (the) tooling-up job will be practically over the hill in April or May. I asked the National Association of Manufacturers in New York to speed the tools up. They are making progress. I am now engaged in finding out how many hours everybody is work-

ing on shifts. As soon as this report is ready they can put people on. Production is getting better. It was a little better last month. We try to get hold of the shortages whenever they appear. Raw materials and machine-tool manufacturers spread tools where they can be used to the best advantage. We do the "follow-up" as we call it in industry.

Q. One of the manufacturers reported there have been 14 stop orders in 2 days from Army and Navy, due to minor changes.

K. We have had the cooperation of the Army and Navy. Of course, if we find something is busting in the field, there is no need to go ahead making it. I don't know any particular instance.

Q. This was on the coast—an aviation plant.

K. I don't think there has been any shut-down on account of changes.

Q. For even an hour or so?

K. No. Maybe for a particular part and planes may be held up in the yard for a while, like last month.

Q. How many planes were produced in December?

K. 799.

Q. How many planes in January?

K. I can tell you the 5th of February—it takes about 5 days to know.

Q. How about an estimate now?

K. Yes, but how much is that worth?

Q. Will it be better than December?

K. A little better. Yes.

### Plane break-down

Q. Can you give us a break-down between training and combat?

K. 40 percent training and 60 percent combat.

Q. Do you eventually expect this program to catch up with schedule?

K. Yes.

Q. To speed up the tool program 3 or 4 months, would that result in a speeding up of production? Would we get our 35,000 planes before July 1942?

K. That figure is 33 instead of 35, 19 (thousand) to United States and 14 (thousand) to British. I have not given up yet. There is no doubt but that we were slow in getting under way.

Q. Is that 19 to United States and 14 to British?

K. Yes.

Q. Are the Detroit plants actually in production on parts?

K. They have given all sorts of assurances that they will get right at it. Briggs (Corporation) and Murray (Corporation) are making tail assemblies.

Q. Will they turn out any finished planes under the program?

K. They don't turn out finished planes. They turn out sections and ship them to assembly plants. The four final assembly plants will be just about finished in September or October. Martin is making B-26's and if he can get sections he can put them together.

### Reuther plan

Q. Any decision on the Reuther plan?

K. No. We are waiting till (Sidney) Hillman (Associate Director General of OPM) comes back. We will see what we can get out of it.

Q. Are the parts Briggs and Murray are turning out to be used in current plane production?

K. Douglas is using them.

Q. On present subcontracts?

K. Yes. Ford, General Motors, and Chrysler are also making parts.

Q. General Motors might then turn around and subcontract.

K. That is what we hope for.

Q. When will the assembly plants get going?

K. I think the last quarter of 1941 we ought to have something to show on some of them. I think the Kansas City (plant will start) first, then Omaha, Fort Worth, and then Tulsa.

Q. What kind of arrangements do you have for making operations under the lease-lend bill.

K. The bill has not passed.

Q. Have you any plans to take care of British needs?

K. We expect to get a schedule. To make items for them doesn't require any particular scheme of payments. We will go to work on the schedule when we get it.

Q. How will you divide up with the British to give them theirs?

K. I suppose the OPM will have to decide if we have got enough, when we get the schedule and we can know how much.

Q. How many planes did we send to the British in December?

K. I don't know.

### Light tanks

Q. Regarding light tanks being turned out at the rate of four a day. Are any of those factories shut down for changes?

K. There were some changes and some gaps in placing orders due mainly to our

not getting appropriations. Production was 38 last month and 20 odd this month.

Q. What will the production be in the Chrysler plant?

K. 10 a day on two shifts for medium tanks.

Q. You made some statement previously in this conference about expecting some reports on working shifts.

K. Yes, we expect estimates on man-hours on the use of tools—how many men and shifts are working.

Q. Any need for speed in the enactment of the lease-lend bill?

K. Yes.

Q. Will the start of the new bomber (subassemblies in automobile factories) affect motor-car production?

K. No. They are not going to have any to show.

Q. But no mechanical changes in the new automobile.

K. If you change axle, transmission, motor, it would mean a big tool program and you would not have the tools.

Q. Any plans for a tin smelter in this country?

K. I will have to find out from Stettinius. There is one project.

Q. One or two?

K. I don't know. We have just switched over in the last 10 days—Raw Materials merged with the Production Division. I have been pulling back to give my attention to the three groups. I may not be entirely posted on some of these (industrial) material matters.

### Bottleneck: Time

Q. What is the first bottleneck on production?

K. Time.

Q. Is there a need for rail priorities at this time?

K. No.

Q. Someone made some mention of them at the Cannery Association?

K. No; traffic handling has been all right.

Q. Is your airplane-engine production going to keep up with fuselage production?

K. About 2,400 engines of our kind—in a 1-month period.

Q. Military type?

K. Trainers and combat.

Q. Any decision on steel expansion?

K. There will be a little expansion. Mostly in electrical furnace steel. I have seen one or two projects. Mr. Gano Dunn is working on reports (on steel production).

Q. Are the reports ready?

K. I saw him at noon, but forgot to ask him (about them).

Q. Any information to indicate whether Britain (air strength) is rising in comparison to Germany?

K. I can't answer that. We have only Beaverbrook's statements. They are better off than if we didn't give them any.

Q. Any trouble with zinc?

K. We thought we were running pretty close. We asked automobile manufacturers to leave off so many chromium doo-dads.

Q. Any need for smelting?

K. No. There is a shortage of skill in magnesium casting. More people (are) needed.

Q. Is the OPM resulting in greater efficiency?

K. You will be able to judge that.

Q. How do you like this Government job in comparison to private industry?

K. It's the only one I have. I enjoy (it) and have learned a lot.

### Armor plate

Q. Is the situation regarding light and heavy armor plate easing up?

K. Furnace capacity will get us by. I think we will be able to catch up for small tanks.

Q. For ships?

K. A small expansion has taken place. Bureau of Ordnance and the Navy are satisfied.

Q. Heavy forgings?

K. You know that most heavy forgings are made by private manufacturers and Navy does its own machining. From Bethlehem I got a man who specializes in heavy forging. He is working with Mr. Biggers. The quantities involved are not so large.

Q. A while ago, you mentioned time as the chief bottleneck. Will you clarify that?

K. If we had more time, there would be no bottleneck. We are working against time.

Q. Do you share the view with some of these men who believe the next 60 days are crucial?

K. I have no first-hand information—I stick entirely to production.

Q. Do we need more steel production capacity?

K. I don't know yet. There are two schools of thought. Isn't capacity enough and with conversion of capacity there will be enough.

Q. What of aluminum?

### Steel capacity

K. I talked with Dunn the other day and we decided on a course of action—more forging capacity for aluminum

forging. There is no surplus. The aluminum is being built up and if steel (capacity) is not enough, we will put more in.

Q. Any priority arrangements actually operating in steel?

K. We have the Steel Priorities Committee set up now to see where priorities are needed. It is voluntary so far to give certain orders preference—there have been no mandatory orders.

Q. Have there been some priorities on a voluntary basis?

K. Yes.

Q. Breakdown of production for December?

K. I don't think we ought to give it to you—it is 40 and 60.

Q. Thank you, Mr. Knudsen.

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## Authorization to establish a board of civilians to study influenza and other epidemics

Secretary of War Stimson announces he has authorized Army Surgeon General Magee to establish a board of civilian experts to study influenza and other epidemics that might hinder the Army's expansion program.

The Secretary described the assignment as one of "the most important" and recalled World War experiences when epidemic diseases were responsible for the death of thousands of soldiers.

Mr. Stimson said the expert committee on epidemics will consist of a central body of scientists and technicians. In addition, special investigative units will be established for assignment to epidemic centers to "handle the thing on the ground," he said.

### The Office of Production Management:

William S. Knudsen, director general; Sidney Hillman, associate director general; members: Secretary of War Henry L. Stimson and Secretary of the Navy Frank Knox.

Within the Office of Production Management are the following and such other operating agencies as the President may from time to time determine: Division of Production, John D. Biggers, director; Division of Purchases, Donald M. Nelson, director; and Division of Priorities, Edward R. Stettinius, Jr., director.

# DEFENSE HOUSING . . .

**Awarding of contracts for the construction with public funds of 2,704 additional dwelling units for industrial workers and enlisted personnel; funds allocated for 54,283 units**

Contracts were awarded for the construction with public funds of an additional 2,704 dwelling units for families of industrial workers and enlisted personnel, during the week ending January 21, according to C. F. Palmer, Coordinator of Defense Housing.

Besides the awarding of contracts for the additional 2,704 dwelling units, other new developments reported by Mr. Palmer included:

The total number of dwelling units for which public funds have been allocated rose to 54,283, and the number of family dwelling units completed totaled 1,035.

Of the 54,283 dwelling units for which funds have been allocated, 21,992 will be used to house civilian industrial workers, 8,696 will be for the use of families of civilian employees of the Army and Navy, and 23,595 will accommodate families of enlisted personnel.

## Private industry's pace

At the same time Mr. Palmer reported that private industry was continuing its rapid pace despite the fact that seasonal factors usually bring a lull in normal building operations. New homes started under FHA for the week ended January 18 totaled 2,597 against 2,555 the previous week, and mortgages selected for appraisal by the FHA in the same period amounted to 4,261 compared with 3,876 the week before.

A summation of the work of each agency as of last week showed:

### Navy

As of January 21, the Navy had 15,915 dwelling units under construction in vital defense areas, an increase of 1,400 units over the number reported for the previous week.

### Army

The Army reported that there are now 27 developments on which intensive construction activity is taking place, with contracts negotiated and awarded for an additional 13 projects. These are

being built under the direction of Federal Works Administrator John M. Carmody through the Public Buildings Administration.

## Federal Works Agency

Federal Works Agency reported the awarding of contracts for the construction of 1,110 defense housing units. These developments will be located at Tucson, Ariz.; San Rafael, Calif.; Boise, Idaho; Ayer, Mass.; and San Antonio, Tex., and will be for the occupancy of married enlisted personnel of the United States Army.

## Defense Homes Corporation

Defense Homes Corporation has approved the construction of 1,944 dwelling units, location of which will be announced later.

## Federal Housing Administration

Statistics announced by the FHA last week revealed that almost one-half of the families purchasing new homes last year under the FHA paid less than \$25 per month to meet interest and amorti-

NOTE.—The Division of Coordination of National Defense Housing is now, by Executive order, in the Office for Emergency Management of the Executive Office of the President.

## Status of public defense housing construction

JANUARY 21, 1941

	Funds allocated	Contracts awarded	Completed
Number of States and Territories.....	40	36	5
Number of localities.....	95	72	9
Number of projects.....	185	107	9
Number of family dwelling units.....	54,283	32,166	1,035
Civilian industrial workers.....	21,992	12,142	-----
Other civilians: Employees of Army and Navy.....	8,696	4,901	582
Married enlisted personnel.....	23,595	15,123	453

## Private construction under FHA

	Week ended Jan. 18	Previous week
New homes started.....	2,597	2,555
Mortgages selected for appraisal.....	4,261	3,876

zation of the principal on their loans. Such monthly payments are well within the reach of thousands of defense workers. FHA also reported new high records for 1940 in both the number and volume of insured modernization and repair loans. Many of these advances are used to create extra dwelling units in existing properties. Such renovations are expected to contribute many extra hundreds of dwelling units for defense workers.

## United States Housing Authority

Defense workers—Army and Navy enlisted men and civilian employees and their families—by next week will be living in seven defense housing projects constructed with United States Housing Authority funds.

Tenants will be moving into new defense projects at Corpus Christi, Tex.; Columbus, Ga.; East Moline, Ill.; and Mare Island, Calif.

Already occupied are similar defense housing developments at Montgomery, Ala.; Pensacola, Fla.; and Portsmouth, Va.

# CONSUMER DIVISION . . .

## Report on increases in rents in defense areas; rises most frequent on homes renting for less than \$30 a month

Rapid advances in rents and shortages of dwellings were reported last fall in a number of areas where the influx of defense workers had greatly increased the demand for housing.

To secure more detailed information, the Consumer and Labor Divisions of the National Defense Advisory Commission and the Coordinator of Defense Housing requested the Bureau of Labor Statistics to survey changes in rents charged for representative houses and apartments during the past year in a number of these cities.

The first group of these special rent surveys, currently released, confirms reports reaching the Defense commission that rents have gone up more in some of these areas than in large cities as a whole.

### Low-rent homes

These initial studies reveal that the rent advances are most frequent on homes renting for less than \$30 per month, although in some of the areas covered, higher rents are also reported for more expensive homes. In all large cities there has been a tendency for some time for rentals of low-rent homes to increase more rapidly than others, the Bureau reports.

Although, in general, the increases have been most marked in lower rent homes, this is not the case in certain areas. In Paterson, N. J., for example, rent advances were most numerous for homes renting at \$30 to \$50, for which there appears to be a considerable demand.

### 0.3 percent rise

For the 33 large cities scattered throughout the United States, which are regularly surveyed by the Bureau, rents in September 1940 averaged only 0.3 percent higher than a year earlier and 0.1 percent higher than in June 1940.

The contrast in rents between the special-survey areas and other cities is illustrated by the situation in South Bend, Ind., where the average increase was 7.3 percent from October 1939 to October 1940. In Bridgeport, Conn., the increase was 2.9 percent over this period.

Other rent advances in these centers

## National defense requires that business profits come through volume sales rather than high prices---Miss Elliott's statement

National defense requires that business profits come through large volume rather than through high prices, National Defense Consumer Commissioner Harriet Elliott states.

"Expanding sales volume induced by low prices will enable producers to cover costs and make fair profits," said Miss Elliott. She urged business men to stand firm against the very great temptation to advance prices "just a little."

"Every increase in the price of a commodity" she said, "means an increase in the cost of living, and this adds impetus to the movement for higher wages and hence higher costs and still higher prices. It develops into a vicious circle and the time to halt the movement is before it begins."

These recommendations were embodied in a letter Miss Elliott sent to Mr. A. P. Haake, managing director of the National Association of Furniture Manufacturers, approving the stand reported taken by a number of furniture producers who are keeping prices down.

### Text of letter

Commissioner Elliott's letter to Mr. Haake follows:

"DEAR MR. HAAKE: I am greatly interested in your letters of December 20, 1940, and January 4, 1941, with reference to

the pricing situation in the furniture industry.

"The position taken by those of your manufacturers who are holding prices down, and depending upon increased volume to absorb any higher material and labor costs through reduction in unit overhead, warrants our heartiest commendation and support. We do not, of course, expect manufacturers to sell at unremunerative levels, and it is not difficult to sympathize with sellers who have experienced a series of profitless years and once more see an opportunity for profits in the prevailing situation. It is clear, however, that sound business judgment as well as consideration of the public interest in this period of national emergency requires that, just as past losses have had their origin in slack operations and low output, profitable operation should now be sought in an increased volume of production induced by stable prices.

"Low prices and high volume can achieve full and efficient utilization, at a profit, of our total arsenal of resources. Every rise in price, no matter how slight, carries a threat of fatal price spiralling. Particularly now, while there still is time, American businessmen should stand firm against the very great temptation to advance prices 'just a little.'"

were 2.4 percent in Akron, Ohio; 1.0 percent in Wichita, Kans.; 1.1 percent in Paterson, N. J. The northern New Jersey industrial area showed increases ranging from 0.2 percent for Jersey City to 1.3 percent for Elizabeth. In some of the largest cities where substantial defense orders have been placed, a greater number of homes was available for new workers and the average advance in rents has apparently not been much greater than for large cities as a group.

### New tenants

Rent increases were most frequent when new tenants moved into a property, as in the Akron area where every new tenant whose rent was reported to the

Bureau of Labor Statistics paid a higher rental than the previous tenant.

A small percentage of old tenants also had their rents advanced, especially in the "Quad-city" district (Davenport, Iowa; Rock Island, Moline, and East Moline, Ill.), where nearly half of the rent increases was on homes which the same tenants had occupied for more than a year. Between October 1939 and October 1940, in Akron and Bridgeport, rents were raised for one out of every four homes.

### \$5 rise exceptional

Typical rent increases have been about \$2.50 to \$3 per month. Increases of more

(Continued on page 9)

# AGRICULTURE . . .

## Assurance by Mr. Davis that food supplies in the United States promise to remain ample; agricultural problems in the offing due to demand for labor and material

"Food supplies in the United States promise to remain ample as the defense program enters its second phase," Chester C. Davis, agricultural commissioner of the National Defense Advisory Commission, told the Farm Bureau Federation of New Hampshire holding its twenty-fifth annual meeting last week at Concord, N. H.

He pointed out that some new agricultural problems are in the offing due mainly to increased demands for labor and material.

"Our storehouses and granaries are full and our farms are producing efficiently and abundantly. No part of our defense program has been handicapped by shortages of agricultural raw materials. We have had nothing to explain away in this regard.

"Not all of our people have been as well fed as they should for the most efficient production. But the responsibility for this does not rest with the farmer as the producer of things these people need. He has provided the wherewithal for removing the handicap of hunger, and he shares with others the hope that this handicap will be removed.

### "In their stride"

"Nor do I see any insurmountable problems in the supply of agricultural materials in the months ahead. There may be some places where we may need moderately expanded supplies. As men who have been on relief go back on regular payrolls, they consume more meat and dairy products. Farmers may be faced with the task of supplying increased quantities of these and similar commodities.

"I feel sure that they will be able to do this in their stride. I believe it can be done in such a way that we will improve the long-term balance of our farm production and avoid the sickening maladjustment which was the aftermath of the last war."

As for such great staple crops as wheat, cotton, lard, and tobacco, Mr. Davis believes that the war has intensi-

fied rather than relieved our surplus problem. "For these crops rather than a problem of meeting increased requirement, we still have a problem of surplus disposal and production adjustments. and, in addition, we shall have to build up our storage stocks for an indefinite period in the future."

### Rural manpower

Touching on the rural manpower available for the defense effort, Mr. Davis said that agriculture in many parts of the United States had a surplus of men available for the work of rearmament.

"During the depression years the normal migration of farm people to the cities stopped and they backed up on the land. The loss of export markets left us with a heavy surplus of idle or ineffectively used labor in the cotton, tobacco, and wheat producing areas.

"I have been much interested in seeing that this labor reserve is fully and effectively available to the defense program. This can be done partly through scattering our new defense industries over the areas of labor surplus, and partly through making certain that training programs for defense industry are fully available to rural youth who have no opportunity to make a living on the farm.

### Need for planning

"I cannot say that I am entirely satisfied with the progress so far in either of these programs. However, as we reach the point of acute labor shortages in the industrial areas, the importance of this rural labor reserve is certain to be more widely recognized. Perhaps we shall be more successful in the future than in the past."

Mr. Davis stressed the need for planning the policy of feeding Europe when the opportunity for reconstruction presents itself.

"Starvation is an instrument of war but in the long run, civilization is not advanced by starvation. We must plan for the day when the war is over—perhaps we should even go so far as to hold

a reserve of food against that day. And when the time comes, let us find a way to make American farm supplies play their part in the reconstruction that lies ahead—let this be our promise to the new Europe which we all hope may emerge. This will be the American farmer's contribution to a better world order and his assurance that his products will always be used abroad."

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## Probability of increased demand for food resulting from bigger pay rolls—address by George Livingston

Increased pay rolls resulting from the defense program will mean a considerable increase in demand for food, George Livingston, chief of the Food Supply Section of the Agricultural Division, said in a speech on "Food on the Civilian Front" delivered at the canners' convention and allied trades in Chicago last week.

"If national income expands to 90 billion dollars—a 20-percent increase over the 1940 level—a rise of 10-15 percent in total consumer expenditure for food can be expected. Although some commodities will benefit more than others, improvement will appear in the demand for all major groups of food.

"Meats, poultry and eggs, dairy products, and most fruits and vegetables will show relatively large increases, leading to moderate price rises despite increased supplies of some products. Cereals, fats, and oils, other than butter, potatoes, and sugar will show relatively small increases."

### Different from 1917

He pointed out that the picture today is quite different from 1917, when we had shortages in many important foods.

"Today we have surpluses in almost all of them. But we can't afford to be too comfortable about these surpluses. We can estimate rather closely our requirements for the civilian population and for the armed forces, and also our anticipated exports. However, there are three big unknown factors:

1. Possible food requirements for Britain to prosecute the war, which we may be called upon to supply.

2. Relief requirements for devastated countries. Already some foodstuffs are being sent to Spain, Finland, Greece,



China, and unoccupied France. How greatly such shipments will increase in the near future is anybody's guess. If the war should terminate suddenly, our surpluses could melt away very rapidly. If we ship more than we should, our reserves might be reduced to the danger point.

3. The always present possibility of drought and pestilence, which might produce acute shortages in many commodities.

### Spice supply

Reviewing the official import statistics on the effect of war on our spice supply, Mr. Livingston said that it does not indicate many actual shortages.

"Those spices which come from the Mediterranean area—caraway, mustard, poppy seeds, sage, paprika, peppers, etc.—are in small supply and hard to get, due in part to the fact that European markets have been cut off. We may have to use some substitutes, but as long as the Orient trade routes are open we will have our condiments."

At present we have a sufficient supply of cocoa bean and tea, but shortages of cargo space or closing of trade routes may curtail supplies and this possibly may continue firm spot prices, especially on tea."

### Studying supply

Mr. Livingston said that the Food Supply Section of the Agricultural Division is studying the whole food supply situation—taking an inventory of stocks, production possibilities, manufacturing, processing, warehousing, and distribution facilities—and setting up against these our best estimates of the requirements for the Army, Navy, civilian population, exports, European and Oriental relief.

The section is looking at the over-all food situation and planning to meet any anticipated change in production or requirements. It also is giving serious thought to possible food control or regulation, if that should ever become necessary.

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## Appointment of Ben Lewis of the Consumer Division as consultant to the Priorities Division

Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, announces appointment of Ben Lewis, chief economist of the Consumer Division, as Consumer Consultant to the Priorities Division of the Office of Production Management.

## Opening of Washington office by the Advisory Committee on Wholesale Distribution to aid cooperation with the Consumer Division

To facilitate cooperation between wholesale distributors of consumer goods and the Consumer Division of the National Defense Advisory Commission, the Advisory Committee on Wholesale Distribution has opened a Washington office.

The Advisory Committee was elected by a conference of wholesaling trade representatives who met with Consumer Commissioner Harriet Elliott last November. The wholesalers committee has been perfecting machinery to discourage unwarranted price increases, speculative buying, and excessive inventories that might produce harmful effects upon consumer and national defense needs.

### Price reporting

A reporting system is being set up to collect price information from a large number of business firms and Government sources. Information will also be gathered currently, on sales volume and stocks on hand. To discover short-supply items and possible substitutes, the Committee intends to make frequent spot checks of consumer goods industries in which shortages threaten.

In the interest of promoting price and supply stability, special studies will also be made, as needed, in advertising and selling policies, warehousing facilities, credit policies, wage levels, and costs in wholesale distribution.

The Committee plans to encourage maximum use of available resources by bringing about more simplification through cooperation with manufacturers, retailers, and the Bureau of Standards.

### Information

The Washington office will inform national trade associations in the wholesaling field of defense developments and of ways in which the wholesaling trades can further assist the defense program and help maintain living standards.

Mrs. Helen M. Slator has been appointed secretary of the committee upon the resignation of Mr. Thomas A. Fernley, Jr., who is assistant secretary-treasurer of the National Wholesale Hardware Association. Mrs. Slator has been connected with the public relations department of Francis H. Leggett & Co., wholesale grocers in New York City. The

Washington office of the Committee is temporarily located at 1615 H Street NW.

The Retailers' Advisory Committee, elected by a conference of national retail trade organizations which met with Commissioner Elliott last August, has been advancing similar objectives in the retailing industry. Mr. Walter Morrow, Secretary of the Retailers' Advisory Committee, has established a Washington office at 1627 K Street NW.

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## Rent survey . . .

(Continued from page 7)

than \$5 are exceptional, the surveys reveal. Where rents are being raised it appears to be customary to advance them by approximately the same dollar amount at all rent levels. For example, a \$2.50 increase may occur in homes renting for less than \$20 as well as those renting for \$30 or more.

Although these special rent surveys have not included a study of the number of vacant dwellings, local reports indicate that there are very few vacancies in some of these cities. Where vacancies are reported, they appear to be most numerous in dwellings renting for \$40 a month or more.

### Periodic surveys

Recognizing the importance of suitable living quarters at moderate rentals for defense workers, as well as for the entire population, the National Defense Advisory Commission has requested the Bureau of Labor Statistics to survey rent changes in these areas quarterly hereafter.

In addition to the cities mentioned, rent surveys are being completed in Charleston, S. C.; Hartford, Conn.; Quincy, Mass.; Chester, Pa.; and Louisville, Ky.

Studies of the entire cost of living, including rents, are in progress in five other cities: South Bend, Ind.; Bridgeport, Conn.; San Diego, Calif.; Gadsden, Ala.; and Corpus Christi, Tex.

The rent surveys being made by the Bureau of Labor Statistics cover only rented homes designed to accommodate family units. Rooming houses, furnished houses, and furnished apartments are not included.

# LABOR DIVISION . . .

## Review of the present contribution of labor to defense---“has never been excelled at any time in all history”---Mr. Hillman's speech read by Mr. Lubin

“I have no hesitancy in saying that labor's present contribution to the defense of the Nation has never been excelled at any time in all history,” Sidney Hillman, associate director of the Office of Production Management, told the recent Fifth General Assembly of the Council of State Governments in a speech read in Washington by Isador Lubin, Mr. Hillman's executive assistant.

“The number of industrial disputes since last May, when the defense program was started, has declined radically as compared with the corresponding months of 1939,” Mr. Hillman said.

“Moreover, the number of strikes thus far has been considerably smaller than in the year 1916, when our factories were engaged in arming the Allies. The number has been much less than in 1917 when we were actually at war. To date 241 potential industrial disputes in defense industries have been brought to the attention of the Labor Division of the National Defense Advisory Commission.

“Of this number only two resulted in appreciable stoppages. Even these two were of short duration, one lasting seven working days and the other two.”

### Keeping ahead

The Nation's factories expanded their output by 23 percent between May and December of 1940, Mr. Hillman pointed out.

“Despite this tremendous increase in industrial activity,” he added, “the Labor Division of the National Defense Advisory Commission, through its training program ‘on the job’ and in the Nation's vocational schools, is keeping ahead of the labor demands of defense industries.

“As for the future,” he declared, “more than 3½ million man-years of skilled-worker time will be required to meet the needs of the defense program, thus far authorized by Congress, while the total labor needs—skilled and unskilled—will be in excess of 8½ million man-years.”

The magnitude of the job facing

American industry and American labor, according to Mr. Hillman, is shown by the problems to be solved by the airplane industry.

“To fulfill existing commitments for the 2½ billion dollars' worth of Army and Navy planes, parts, and plants now on contract for this country,” he said, “the industry will have to have 455,000 workers engaged in making air frames, engines, and propellers by August of this year.

“Today the industry has approximately 230,000 workers on its pay roll. Speaking conservatively, this means that if the industry is to deliver according to schedule it will have to hire an additional 225,000 workers within the next 8 months.

### Magnitude of the problem

“This figure indicates the magnitude of the training problem faced and successfully met by the Labor Division. It does not include the requirements of the manufacturers of nonmilitary aircraft and engines, nor the needs of the numerous accessories manufacturers, the naval aircraft factory at Philadelphia, or of the new plants now under construction for which delivery schedules are not yet available.

“Together, it is estimated that these will require an additional 100,000 workers before the summer is over.”

With the aid of the United States Employment Service, the Apprenticeship Committee of the Department of Labor, the United States Office of Education, and the NYA, the Labor Division, he pointed out, has been devoting the major part of its attention to meeting industry's requirements for labor, when and where they arise.

In the early days of the defense program emphasis was placed primarily on bringing the available idle workers into contact with plants that could use their services. Since last June workers have been added to pay rolls at the rate of 300,000 per month.

### Immense reserves

“Our first task, and the record has been gratifying,” Mr. Hillman continued, “has been to fit the available unemployed into jobs where they can make their best contribution to defense. With this in mind the Labor Division undertook last October to survey the existing unused plant, equipment, and labor resources of many communities where they were going to waste.

“This survey, made by trained engineers attached to the Labor Division, revealed immense reserves which could be made available for defense needs. We have stimulated the formation of more than a hundred local groups throughout the country which are making inventories of their resources with a view to using them for defense production.

“Our second task has been to provide the training needed by workers, both employed and unemployed, to equip them to be efficient producers. To assist the defense industries in meeting their needs we have established a Training-Within-Industry Program.

“Through this program the Labor Division of the Defense Commission renders advisory assistance to management in setting up programs of instruction and ‘upgrading’ for production workers and for training supervisors. These training programs are carried on by the individual concerns within their own plants. They are not compulsory. We render training assistance through the services of experienced industrial personnel men borrowed from neighboring plants on a part-time basis.”

### Preemployment training

“Hand in hand with the program of training within the plant has gone the program of preemployment training in the public vocational schools. At the present time nearly 110,000 people are enrolled in defense vocational training courses. Over 40,000 of these are enrolled in preemployed courses and 66,000 in supplemental courses.

“More than 300,000 different persons have been enrolled in preemployment and supplemental courses during the past 6 months. Of this number about 130,000 have been receiving supplemental courses which have enabled them to increase their skill and efficiency. Nor has the need for developing all-around skilled craftsmen been overlooked. To train them requires from 3 to 5 years of apprenticeship. Work in that field has been widely expanded by the United States Department of Labor in cooperation with industry and Labor.”

## Aim of West Coast conference to establish master agreement covering wages, hours, and working conditions of shipbuilding industry

In an effort to establish a master agreement covering uniform wages and working conditions for the entire West Coast shipbuilding industry, a conference will be held in San Francisco, Calif., February 3, it is announced by Sidney Hillman, Associate Director General of the Office of Production Management.

The announcement follows a recommendation by the Shipbuilding Stabilization Committee after an all-day session under the chairmanship of Morris L. Cooke of Mr. Hillman's staff.

Attending the conference in San Francisco will be representatives of all the employers and employees in the West Coast shipbuilding industry. T. L. Norton, executive secretary of the Shipbuilding Stabilization Committee, will be present as the Committee's observer. The Navy Department and the Maritime Commission will also send observers.

### Separate agreements

All yards on the West Coast now building ships are union-organized, and a master agreement, if reached, will bring uniformity regarding wages, hours, and working conditions to a situation which is now covered under a number of separate agreements.

The Shipbuilding Stabilization Committee was set up by Mr. Hillman November 27, to explore ways and means of stabilizing employment in the country's shipyards to facilitate the most efficient production of ships for the Navy and the Maritime Commission. The Committee is composed of representatives of organized labor, the shipbuilding industry, the Navy, and the Maritime Commission.

### Policy approved

At a meeting held December 5, these representatives approved a policy urging that there be no interruption of production on the part of shipyard employers and shipyard employees before all facilities at the disposal of the National Defense Advisory Commission for adjusting differences have been exhausted.

The Shipbuilding Stabilization Committee is composed of the following members: Morris L. Cooke, chairman; Harvey Brown, president of International Association of Machinists; John P. Frey, president, Metal Trades Department, A. F. of L.; John Green, president of Industrial Union of Marine & Ship-

building Workers of America; Gregory Harrison, representing Pacific Coast shipyards; Admiral Emory S. Land, chairman, United States Maritime Commission; F. A. Liddell, representing Gulf Coast Shipyards; Joseph W. Powell, special assistant to the Secretary of the Navy, representing United States Navy; Prof. H. L. Seward, representing North Atlantic & South Atlantic Coast Shipyards; H. Gerrish Smith, representing Great Lakes Shipyards; Philip H. Van Gelder, secretary of Industrial Union of Marine and Shipbuilding Workers of America; and T. L. Norton, executive secretary.

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## Dispatch of list of 650 prime contractors to local defense production groups to speed up the farming-out system

To speed up the farming-out system inaugurated by the Labor Division of the National Defense Advisory Commission, local defense production groups throughout the country have been sent a list of 650 firms now working on prime contracts for the Army or the Navy so that these groups could more readily solicit defense orders.

The list was compiled under the direction of Morris L. Cooke, management engineer attached to the staff of Sidney Hillman, associate director of the Office of Production Management. It contains the names and addresses, broken down by states, of all prime contractors who have received defense orders of more than \$100,000 each for any of seven major types of equipment. The list covers the period from July 1 through December 30, 1940.

The categories picked were ammunition components; aircraft and parts; automotive, tanks and equipment; machinery and parts; guns and parts; ships and parts, and electrical equipment.

This list was sent out as part of the third of a series of Farming Out Bulletins which have been issued from time to time by the Labor Division to aid the more than 100 local defense production groups being organized throughout the country to obtain defense subcontracts. The list would be used by these groups in soliciting defense orders.

## Report on the rapid progress of construction at Indiana Ordnance Works near Charlestown, Ind.

The War Department announces that construction at the Indiana Ordnance Works near Charlestown, Ind., is making rapid progress under a schedule of three 8-hour shifts daily, manned by approximately 17,000 workers.

The plant is being constructed by the E. I. duPont de Nemours & Co. under a contract which was announced July 17, 1940. Assisting the duPont Co. in building the project are 30 subcontractors employing 3,300 workmen, obtained from the immediate vicinity.

### No casualties

During 1 week 40 permanent buildings and 37 temporary structures were completed. The 24-hour working day is in effect for the entire area. When the current is turned on at night 12 million lumens are brought into play. Not a single casualty has been reported on the night shifts.

Of the 36 miles of railroad originally planned for the four lines of powder production, over 26 miles of 100-pound standard gage track have been laid.

Work is being expedited so that two production lines may be in operation by early spring.

A project to build a bag loading plant adjoining the site of the powder plant is now under way and arrangements are being made to convert the entire area into a safe, permanent, industrial section.

### 4-lane highway

A 4-lane dual highway from Charlestown to Jeffersonville, Ind., a distance of 12 miles, is to be completed early in July.

In order to solve a serious traffic problem, presented by the commuting of 12,000 or so workers by automobile daily to and from the project, an overpass is to be built to enable workers who use the railroad to pass from the plant area to the railroad station without interfering with highway traffic or endangering their own safety.

The constructing quartermaster of the Indiana Ordnance Plant is Lt. Col. R. E. Hardy, Ordnance Department.

In order to provide adequate sewerage on the site of the powder plant now being erected, it was found necessary to excavate the rough terrain to a depth of 30 feet.

# STATE AND LOCAL COOPERATION . . .

## Full resources of the States pledged for national defense; officials consider law enforcement, taxation, role of small plants in the defense program

Recognizing the "imminent and pressing" dangers confronting democratic government the world over, the Council of State Governments closed its fifth biennial assembly in Washington last week by resolving that, in furtherance of the national defense program, each State should take immediately all necessary steps to promote total defense. To this common end, the States pledged to each other and to the Nation their full resources.

Forty-six States were represented at the general assembly which met January 21-23. (See also DEFENSE, January 22.) About 300 State officials attended. This included governors, legislators, attorneys general, members of State defense councils, and others.

In addition to the resolution on national defense, several others concerning interstate or Federal-State relations were adopted at the final session.

### Use of small plants

Mr. William S. Knudsen, Director General of the Office of Production Management, in an address to the assembly January 22, pointed out the need of bringing into immediate use in the aid of defense existing, but currently unutilized, production facilities.

Following statements by members of the assembly that many small manufacturers in every State are unaware of their potential usefulness in the defense effort and will remain so unless competent individuals seek them out, examine their plants and advise them as to how to participate in the defense program, the assembly voted to recommend action by the States.

This recommendation proposed that the States "either set up new facilities of liaison between such small manufacturers and their respective councils of defense or similar bodies or use present facilities for that purpose, to the end that there be made immediately available to the National Government, the present production potential of plant and labor in the furtherance of defense."

### Trade barriers

A review of developments during 1939-40 with respect to interstate trade barriers, reported by Senator Robert E. Hendrickson of New Jersey, showed that the previous trend toward erection of State trade barriers has been reversed.

During this period such laws were repealed or vetoed in more than 20 States and, with perhaps one exception, no new trade barriers were set up. Moreover, a number of States have taken administrative action to remove such barriers.

Obstructions to the free flow of commerce between the States were condemned and resolutions adopted by the general assembly, which pointed out that "free trade among the States is imperative in the interest of national defense and the promotion of unity." The council of State Governments was requested by the general assembly to continue to discourage such legislation.

### Health and welfare

Federal Security Administrator Paul V. McNutt addressed the assembly on problems arising in the field of health, welfare, education, recreation, and allied fields for which he has been named defense coordinator.

So far as Federal participation goes, he said, the Office of the Coordinator proposed to utilize every service of all existing agencies that touch that sector of the defense program. Where services necessary for emergency defense purposes are lacking, it is proposed to expand these established agencies rather than set up new ones.

Existing channels of cooperation—among Federal, State, and local agencies—and the basic division of responsibility among them will be recognized and maintained. And not only public but also private agencies will have their place in the program.

The Coordinator's Office will maintain only a small staff, its major organization being upon the basis of committees representing participating agencies.

Field organization will cover the 12

geographical areas set up by the Social Security Board. The regional directors of the Social Security Board will be designated Regional Defense Coordinators, to effect necessary coordination through cooperation of the Federal agencies in each region. Since many Federal functions in the field are carried on in cooperation with State and local governments, State and local authorities may be asked to serve on regional advisory committees.

Certain aspects of Federal-State relationships in the field of public assistance were discussed by the general assembly of the Council of State Governments in connection with the report of its committee on relief.

### Public assistance

The committee on relief recommended intensified occupational training of potentially employable persons. It recommended also transfer to the States of the administration of work relief and Federal reimbursement of certain percentages of relief costs. These recommendations grew out of regional meetings of State legislators and administrative officials during the past year. The Honorable Ellwood J. Turner, member of the Pennsylvania General Assembly and retiring chairman of the board of managers of the Council of State Governments, pointed out that national defense may lighten the financial burden of relief now, "but the same problems, in intensified velocity, may be waiting for us at the end of armament production and spending."

He urged the Council to provide leadership in making plans against that time. "Not alone because of national defense, but for the welfare of all our people, we must, during the present period, train, retrain, and rehabilitate those who cannot find employment in industry today."

### Financing defense

Financing national defense expenditures was discussed by the Honorable Simeon E. Leland, of Illinois, in his statement for the special committee on taxation. This statement also traced the interest of the council of State Governments in tax problems since the first interstate assembly in 1933.

Mr. Leland advocated financing national defense expenditures by loans until practically full employment and production are reached, and then supporting defense wholly from taxation. The present revenue system of the Fed-

eral Government is geared to this end, he said, but increase in Federal income and consumption levies would be desirable when full employment and production are reached. Such tax increases would help prevent post-defense economic collapse.

Present reliance of States upon sales and consumption levies may obstruct this course, he added, but the difficulties they present in the development of a coordinated Federal, State, local fiscal system are not insurmountable.

If the defense effort is to attain maximum success, fiscal, monetary, and other economic policies must form a consistent whole and be followed by all levels of government, he observed.

Specifically, he urged that "all governmental activities, such as public works, that involve use of productive facilities and goods which could be used for defense, or productive power which could be diverted to defense, be immediately directed toward defense or else as drastically curtailed as possible." Only emergency construction and emergency production of goods and services should take place.

The reason for this recommendation, he pointed out, is that governments should not compete with defense for goods and services, save in the performance of essential services, and governments should make it impossible for individuals to do so. This policy would build up a reserve demand useful when the time comes to turn from production for defense to production for the enjoyment of peace.

In line with recommendations of the council's tax committee, the general assembly passed a resolution endorsing the recommendation in the recent report of the Treasury Department to Congress, which would provide for the establishment of a national tax commission.

Purpose of the commission would be "to explore the maze of conflicting and overlapping tax measures that exist among the Federal, State, and local governments, to the end that a comprehensive and constructive tax program may be developed for all levels of government—Federal, State, and local."

#### Law enforcement

Gov. Herbert O'Connor of Maryland reported on the Federal-State conference on law enforcement problems of national defense, held in Washington in August 1940, and work of the committee set up at that time to draft so-called model State acts relative to defense problems.

These proposed acts deal with organization of State guards, control of explosives, interstate protection of public property, and prevention of sabotage. They have been sent to the States whose legislatures are meeting this year for such action as their respective lawmaking bodies deem proper.

On certain related subjects no legislation was recommended by the drafting committee. It was believed, for example, that the deputizing of special guards should be dealt with in the light of practice in a particular State. It was considered that there should be Federal, rather than State legislation for control of firearms. Recent Federal legislation was deemed adequate to cover the registration of secret organizations.

In referring to the model bills, Governor O'Connor offered assurance that the interests of labor will be protected in this legislation.

#### Fifth column

Both Attorney General Robert H. Jackson and Governor O'Connor spoke of the need to be on guard against "Fifth Column" activities. The Attorney General considered the problem from its military, economic, and propaganda angles.

For protection against sabotage, the Federal Bureau of Investigation, at request of the Army and Navy, has made protection surveys of over 1,200 plants. It has provided a protective program for defense industries, utilities serving them, and for airports, docks, and shipyards. State governments are cooperating in handling such national defense problems.

The Attorney General pointed out that "all enemy propaganda tries to drive a wedge between any government that is carrying out a policy and the people without whose support it must fail." He asserted that "danger for democracy lies not so much in totalitarian propaganda as in our failure to answer it. Already that answer is being made. It is not the synthetic product of a central propaganda bureau, but the spontaneous expression, in our free press and from our free radio, of Americans in all walks of life."

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### OHIO DEFENSE COUNCIL

Maj. Ralph D. Henderson has been named chairman of Ohio's defense council. There are now 39 such official defense councils for the various States and the District of Columbia.

### MISSOURI STATE DEFENSE COUNCIL

A Missouri State Defense Council organized in accordance with plans suggested by the National Defense Advisory Commission, has been created by executive order of Governor Lloyd C. Stark.

In making his appointments to the various offices and committee posts, Governor Stark designated that the holders of certain official positions, regardless of subsequent change, should fill the specified assignments rather than the individuals named.

The Governor of Missouri will function as chairman, the Commanding General of Missouri National Guard as vice chairman, and the Director of the State Planning Board as executive secretary.

As constituted at present those positions are assigned to Governor Stark, Brig. Gen. Lewis M. Means, and William Anderson, respectively.

Governor Stark appointed as executive vice chairman, Wilbur C. Jones, of St. Louis, prominent civic leader and past president of the St. Louis Chamber of Commerce.

Working as an executive group with the officers will be a "Functional Council." Each member of this Council heads a division and will be assisted by a committee.

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### Announcement of special courses to train 2,000 enlisted men annually as Army officers

Secretary of War Stimson announces that beginning July 1 special courses to train 2,000 commissioned officers annually will be opened to enlisted men, including Selective Service trainees.

He said the Army planned to operate four successive courses, each lasting 3 months. A maximum number of 500 students was set for each course because of limited facilities.

The training courses will be initiated with 200 men at the Fort Benning, Ga., Infantry School; 50 at the Fort Riley, Kans., Cavalry School; 125 at the Field Artillery School, Fort Sill, Okla.; and 125 at the Coast Artillery School, Fort Monroe, Va. To be eligible, enlisted men must have 6 months' active field service with at least 3 months of unexpired enlistment. The maximum age has been lifted, Mr. Stimson said, from 30 years to 36 years so as to provide for commissioning Selective Service trainees.

## List of principal purchasing agencies for defense equipment for the services

The following tables list the principal purchasing agencies of the War and Navy Departments engaged in contracting for defense equipment, materials, and supplies.

The purchasing activities of the War Department are largely decentralized. The table lists the War Department agencies which are purchasing the bulk of the equipment, materials, and supplies under the national defense program. Omitted from the table are agencies making local purchases only and agencies purchasing nonmilitary items only.

The Navy Department in general adheres to a centralized purchasing system with over half of the defense equipment, materials, and supplies being contracted for from the Navy Department Headquarters in Washington. The major field purchasing agencies, however, are listed.

### PRINCIPAL ARMY PURCHASING AGENCIES

#### Quartermaster Corps

Holabird Quartermaster Depot, Camp Holabird, Baltimore, Md.  
Boston Quartermaster Depot, Army Base, Boston, Mass.  
New York General Depot, Brooklyn, N. Y.  
Chicago Quartermaster Depot, Chicago, Ill.  
Jeffersonville Quartermaster Depot, Jeffersonville, Ind.  
Philadelphia Quartermaster Depot, Philadelphia, Pa.  
San Antonio General Depot, Fort Sam Houston, Tex.  
San Francisco General Depot, Fort Mason, San Francisco, Calif.  
Seattle Quartermaster Depot, Seattle, Wash.  
Quartermaster, St. Louis, Mo.  
Washington Quartermaster Depot, Washington, D. C.

#### Ordnance Department

Aberdeen Proving Ground, Aberdeen, Md.  
Augusta Arsenal, Augusta, Ga.  
Benicia Arsenal, Benicia, Calif.  
Charleston Ordnance Depot, Charleston, S. C.  
Curtis Bay Ordnance Depot, Curtis Bay, Md.  
Picatinny Arsenal, Dover, N. J.  
Wingate Ordnance Depot, Fort Wingate, N. Mex.

Erie Ordnance Depot, LaCarne, Ohio.  
Raritan Arsenal, Metuchen, N. J.  
Ogden Ordnance Depot, Ogden, Utah.  
Delaware Ordnance Depot, Pedricktown, N. J.  
Frankford Arsenal, Philadelphia, Pa.  
Nansemond Ordnance Depot, Portsmouth, Va.  
Rock Island Arsenal, Rock Island, Ill.  
San Antonio Arsenal, San Antonio, Tex.  
Savanna Ordnance Depot, Savanna, Ill.  
Springfield Armory, Springfield, Mass.  
Watertown Arsenal, Watertown, Mass.  
Watervliet Arsenal, Watervliet, N. Y.

#### Air Corps

Air Corps, Material Division, Wright Field, Dayton, Ohio.

#### Chemical Warfare Service

Edgewood Arsenal, Edgewood, Md.

#### Signal Corps

New York General Depot, Brooklyn, N. Y.  
Chicago Quartermaster Depot, Chicago, Ill.  
Aircraft Radio Laboratory, Wright Field, Dayton, Ohio.  
Signal Corps Laboratory, Fort Monmouth, N. J.  
Signal Corps Photographic Laboratory, Army War College, Washington, D. C.

#### Corps of Engineers (Military)

Office of the Chief of Engineers, Washington, D. C.

#### Medical Corps

New York General Depot, Brooklyn, N. Y.  
St. Louis Medical Depot, St. Louis, Mo.

#### Coast Artillery Corps

Coast Artillery School, Fort Monroe, Va.  
Submarine Depot, Fort Monroe, Va.

### PRINCIPAL NAVY DEPARTMENT PURCHASING AGENCIES

Naval Academy, Annapolis, Md.  
Navy Yard, Boston, Mass.  
Puget Sound Navy Yard, Bremerton, Wash.  
Navy Yard, Charleston, S. C.  
Naval Proving Ground, Dahlgren, Va.  
Naval Training Station, Great Lakes, Ill.  
Naval Powder Factory, Indian Head, Md.  
Naval Station, Key West, Fla.  
Naval Air Station, Lakehurst, N. J.  
Submarine Base, New London, Conn.  
Navy Purchasing Office, Newport, R. I.  
Navy Purchasing Office, New York, N. Y.

Navy Supply Depot, Norfolk, Va.  
Naval Air Station, Norfolk, Va.  
Naval Air Station, Pensacola, Fla.  
Navy Yard, Philadelphia, Pa.  
Navy Yard, Portsmouth, N. H.  
Norfolk Navy Yard, Portsmouth, Va.  
Naval Air Station, San Diego, Calif.  
Naval Supply Depot, San Diego, Calif.  
Navy Purchasing Office, San Francisco, Calif.  
Navy Department, Washington, D. C.  
Navy Yard, Washington, D. C.  
Naval Research Laboratory, Washington, D. C.  
Naval Air Station, Washington, D. C.  
Naval Mine Depot, Yorktown, Va.

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## Plan of the War Department to organize National Guard regiments similar to those in the Regular Army

The War Department has announced that infantry regiments in National Guard divisions (square) are to be organized the same as infantry regiments in Regular Army divisions (triangular), but with slightly reduced personnel. This will double the antitank weapons in each regiment, which will now have 12 37-mm. guns instead of 6, as formerly.

The total active strength of each regiment under the new tables of organization is about 3,000 enlisted men. Normally up to 10 percent of the regimental personnel are assigned to special duties, are on the sick list or are absent for other reasons. To keep each regiment at a 3,000-man strength at all times, the new tables have assigned a special 10 percent basic allotment, or roughly about 300 additional enlisted men, to each regiment.

Because of a shortage of personnel and housing, however, each National Guard regiment will be limited to a strength of 2,660 enlisted men, with no allowances for an extra 10 percent basic allotment.

This figure—2,660—was the war strength of infantry regiments under the old tables of organization. The peace strength of such regiments was 1,833 enlisted men. The new tables of organization have eliminated peace and war strengths, and provide for only one strength. The present allotted maintenance strength of National Guard Infantry regiments which have not yet been inducted into the Federal service, however, will remain at approximately 1,300 enlisted men.



# TRANSPORTATION . . .

## Accomplishment of the task of transporting troops due to careful plans and cooperation of railroad officials with War Department

Ralph Budd, Commissioner in charge of the Transportation Division of the National Defense Advisory Commission, reports that the task of transporting troops and the many individuals being inducted into the Army is being accomplished without difficulty due to the careful plans which have been made and to the manner in which the railroad officials are cooperating with the transportation agencies of the War Department.

The Quartermaster Corps Commercial Traffic Branch takes charge of transporting selectees at the bus or railroad terminals at the induction stations to reception centers.

In doing this, as well as in the movement of men from reception centers to Army posts, camps, or stations, complete cooperation between the Quartermaster Corps and the railroads is maintained.

As flexibility in moving selectees is an essential element of the program to assure swift transportation and comfort for the passengers, buses are being used to a considerable extent.

An arrangement made between the Office of the Quartermaster General and the Association of American Railroads and its several passenger associations, makes available the entire facilities of these railroads.

### Transportation officers

At each induction station, as well as each reception center, there is a transportation officer to arrange and direct transportation activities. To assist him, the Association of American Railroads provides a special representative who has authority and direction to carry out the agreed arrangements for the movements of these recruits, and also to lend such other assistance as may be desired.

The Norfolk & Western Railway is arranging to operate shuttle train service for construction employees at the Radford Ordnance Works.

These trains will run from Bluefield, W. Va., to Radford, serving intermediate points, and from Roanoke to Radford,

serving intermediate points. Suitable service will be operated to handle three 8-hour shifts.

### 65,545 new cars

The railroads during 1940 placed in service a total of 65,545 new freight cars and on January 1, 1941, had 35,702 new cars on order.

A total of 126 steam locomotives and 293 electric and Diesel locomotives was installed during the year. There were on order on January 1, 115 steam locomotives and 91 electric and Diesel locomotives.

### Movement of coal

The carload movement of coal to New England points for the year 1940 and earlier was:

	1940	1939	1938
Anthracite----	93, 646	90, 261	80, 108
Bituminous----	101, 159	95, 986	84, 953

	1937	1936	1935
Anthracite----	85, 449	89, 708	91, 607
Bituminous----	99, 900	102, 221	106, 840

On January 1 the railroads reported a total freight-car ownership of 1,640,006, with 108,972 cars, or 6.8 percent of cars on line, awaiting repairs. Total serviceable car supply (ownership minus bad orders) was 1,531,034. Since September 1, 1939, there has been an increase of 105,214 in the number of serviceable freight cars available.

Average daily freight-car surplus during the quarter-monthly period ending December 28 was 129,081, of which 45,187 were box and automobile cars and 57,383 were open-top cars.

## 300,000 miles of rural power lines are now available to be tapped by decentralized defense industries

Today, one of the important measures of our national strength is found in our electric power resources. And today, our power resources include thousands of miles of new rural electric distribution lines, which distribute electricity at cost in 45 States.

Some 300,000 miles of lines financed by the Rural Electrification Administration and controlled by local farm people may be tapped, and have been at many points, for defense requirements—relocation of industry, food and meat processing, military and industrial training activities, military and civil aviation needs, and conservation and forestation.

### New needs

Mines, oil fields, and quarries are located in remote areas far from city power lines. Local processing of many kinds, meat packing, canning, and textile manufacturing, will prevent waste and uneconomic use of transportation facilities.

But local processing requires adequate power. With increasing restrictions upon immigration, our farm youth is the main source of new industrial labor. Relocation of plants near the labor supply eliminates at the start problems of city crowding, health, housing, and recreation.

### 3,500 separate establishments

To a considerable extent, rural power lines are already supplying these many defense needs. More than 3500 separate establishments, representing over 100 different industries, are today getting electricity from REA distribution systems alone besides many served from potential lines.

The great southern Illinois oil producing fields use rural power for pumping and refining. Scores of coal mines through the Pennsylvania, West Virginia, and Ohio mining area depend upon farm power. A Tennessee cement plant producing 2500 barrels a day is another large power user on REA lines.

CCC camps and NYA training schools throughout the country are training an army of new skilled workers for industry. Shop equipment, running water, lights, communications, entertainment, cooking, and refrigeration for many camps are possible because of recent rural power extensions.

## Conserving the Nation's resources through a minimum of restrictions for business--- address by Colonel Maxwell, Administrator of Export Control

Control of the Nation's exports in the interests of national defense today is following a policy which involves a maximum of conservation of this country's natural resources, coupled with a minimum of restrictions and regulations for business, Col. Russel L. Maxwell, administrator of Export Control, told the Export Managers Club in New York last week.

"Conservation of the Nation's resources is rather a new subject to most Americans," Colonel Maxwell reminded the group. "For years they have been told of their country's wealth and riches, how within our borders lie the world's greatest concentration of raw materials, of agricultural products—of the physical assets by which a nation's resources are reckoned."

Pointing out that this country's needs are multiplied a thousandfold when it is engaged in a defense effort, Colonel Maxwell cited as an illustration the fact that a single ship for the Navy requires about 200,000 pounds of copper. Although this metal is produced in large amounts in this country, it will be subject to export control on and after February 3d, he said.

### Ample margin

"Demand for products and need for materials cannot be measured by normal civilian or business requirements \* \* \* but must take into account the tremendous military and naval demands superimposed upon the nonmilitary demands. Obviously, we cannot afford to gamble, but must, in the national interest, leave ample margin for unforeseen contingencies or additions to the defense program."

Outlining the present procedure for limitation of exports, Colonel Maxwell stated that his office is advised by the Army and Navy as to needs, and by the Defense Commission and the newly organized Office of Production Management, as to available resources. Any balance represents defense items that can be safely exported, he said.

The Department of State is issuing daily some 800 licenses for exports, and every effort is being made to expedite the issue, Colonel Maxwell reported.

He said that the issuance of general licenses, which recently was authorized by Executive order, will facilitate the export of items under control without jeopardizing the defense program. This procedure replaces that of issuing individual licenses.

### Minimize restrictions

From the outset, the policy of the Office of Export Control has been to minimize restrictions on normal business, Colonel Maxwell asserted. "The reasons for this are two-fold: first, complete prohibition of exports, in some instances, would result in the curtailment of imports needed in our defense program; second, we want to be able to look back, when this emergency is over, and see that we have fostered foreign trade, that we have assisted American business to expand and to sell in world markets, where the selling did not interfere with our total defense efforts required at the time."

Among the national policies influencing decisions, special consideration is given the policy of hemisphere defense, Colonel Maxwell revealed. "Our approach to this problem has meant that we are doing all we can to strengthen the defense agencies of these other great American republics lying to the south of us."

In order that action may be expedited on applications for export, Colonel Maxwell urged that applicants make certain that the forms are properly filled out, and that instructions issued as to the units of measure be followed. He said that at present it sometimes requires 3 full weeks from the date of mailing of applications to complete action.

### Fair compensation

In cases where the owners of controlled items are unable to export the items, or are unwilling or unable to dispose of them to defense activities, the War or Navy Departments, acting through the Army and Navy Munitions Board, request requisitioning. Following the physical taking over of the property, hearings are held to determine fair and just compensation to be paid the owner.

Many shortage difficulties on "strate-

gic" and "critical" materials can be traced to the draining out of this country, over the last few years, of articles, products, and materials, according to Colonel Maxwell. Prior to last July 2d, the only controls over this commerce had as their purpose the limitation of international traffic in arms.

"The major effect of this limitation was to restrict and curtail our domestic production of the weapons of defense, leaving us a scarcity of munitions, and practically eliminating the facilities for their production—facilities being feverishly built in the present crisis," Colonel Maxwell said.

Early in 1940 the world situation forced a complete reversal of national policy in this respect and control of exports was instituted in the interests of national defense.

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## Expectation that six large new general hospitals will be ready for use by March 1

Construction work on six large general hospitals being built by the Army at a cost of \$8,879,969 is progressing rapidly, and all of them are expected to be ready for use March 1, 1941, the War Department announces.

The six hospitals will provide 6,500 beds, which will be used for cases which it is not considered advisable to treat in camp or station hospitals.

Work on five of the hospitals already is under way, and that at Fort Benjamin Harrison, Indiana, will start as soon as acquisition of land has been completed.

The hospitals, their locations, and capacities:

Atlanta General Hospital, Atlanta, Ga., 2,000 beds; Charleston General Hospital, Charleston, S. C., 1,000 beds; New Orleans General Hospital, New Orleans, La., 1,000 beds; Fort Benjamin Harrison General Hospital, Indiana, 1,000 beds; Santa Barbara General Hospital, Santa Barbara, Calif., 750 beds, and Vancouver General Hospital, Washington, 750 beds.

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## NEW POLICY ON SALUTES

The War Department has ordered that, during the present emergency, salutes and honors usually rendered to officials of the Army will not be given unless requested by those officials in advance of their arrival at any camp, post, or station.

Among military officials entitled to such salutes and honors are: General of the Armies, chief of staff, a general, a lieutenant general, a major general, and a brigadier general.

# DEFENSE

★ OFFICIAL BULLETIN  
★ of the NATIONAL DEFENSE  
★ ADVISORY COMMISSION  
★ Washington, D. C. Issued Weekly  
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## Request from Mr. Stettinius that after February 28 machine tools be delivered only to customers who have obtained priority rating

E. R. Stettinius, Jr., director of the Division of Priorities, announced January 31 that all machine tool builders have been requested not to deliver machine tools to any customer after February 28 unless that customer has obtained a priority rating.

This request has been transmitted to all machine-tool manufacturers in a letter sent out by Mr. Stettinius.

The effect of this action will be to give the defense program first call on the total output of the machine-tool industry.

Text of the letter follows:

DEAR SIR: Inasmuch as machine tools are so urgently needed, it has been decided, in order to conserve the supply for national defense needs, that we ask you to cease making shipments of machine tools beginning thirty days from the date of this letter, except to those customers who have by that time or thereafter secured official priority ratings.

Please communicate with this office if you experience difficulty in the application of this request.

Very truly yours,

E. R. STETTINIUS, JR.,  
Director of Priorities,  
Office of Production Management.

## Summary of the Week—lease-lend bill; naval expansion; induction of Guard units

The House Foreign Affairs Committee concluded hearings on the lease-loan bill to aid Britain. The House Committee made public a majority report that "insofar as the human mind can evaluate the situation" the probable effect of the measure will be "to keep us out of war rather than to get us into it."

### Naval expansion

Congress authorized a \$1,209,000,000 additional emergency naval program. Under the new program the Navy would be able to build 400 auxiliary vessels at a cost of \$400,000,000; spend \$315,000,000 to supply shipyard facilities to speed construction of these and other Navy vessels; spend \$194,000,000 for additional gun and armor factories to keep the supply of this equipment abreast of the ship-building speed-up.

The bill also authorized expenditure of \$300,000,000 for improvements in naval antiaircraft protection such as new types of armor, antiaircraft guns, and other ordnance and look-out stations.

President Roosevelt stated that the Maritime Commission had already awarded contracts for 180 of the 200 cargo vessels for which he had previously asked \$495,000,000 and then requested

Congress for an additional \$65,000,000 so that the entire number of ships would be under construction before the end of the fiscal year June 30.

### Army

Secretary of War Stimson announced that National Guard units from 11 States including 20,700 officers and men will be inducted into the Army on Monday, February 10, 1941. Later the Department announced that the Soldier's Handbook, the first issued since the World War containing basic military information required of all enlisted personnel, will be released soon to every man in the Army.

The War Department also announced this week it had denied a \$10,300,000 contract for 11,781 one-half ton trucks to the Ford Motor Co., of Detroit because it "excepted to the labor clauses in the invitation to bid."

"The Ford bid was lowest," the Department said, "but inasmuch as it was not in accordance with the original proposal, the award was made to the Fargo Corporation, the lowest bidder conforming to the specifications of the invitations for bids."

### Antitrust actions

The Department of Justice this week announced the following indictments for violations of the Sherman Antitrust Act:

Six corporations and 9 individuals, including the Aluminum Co. of America, charged with "hampering" and "impeding" and "delaying" the national defense program through control of magnesium products; 15 food distributors and wholesalers in Denver charged with conspiring to raise wholesale and retail prices of food shipped into and distributed in Denver.

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# DEFENSE

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**WILLIAM H. McREYNOLDS**, *Secretary of the Commission*.

**NELSON ROCKEFELLER**, *Coordinator of Commercial and Cultural Relations Between the American Republics*.

## DELIVERY OF TRAINING PLANE

The War Department announces delivery for testing of a new basic training airplane, the XBT-12, by Fleetwings, Inc., of Bristol, Pa. This aircraft is powered with a single Pratt & Whitney R-985, 9-cylinder, radial, air-cooled engine, producing 450 horsepower at 2,300 revolutions per minute. The XBT-12 provides for a student and instructor in canopied cockpits.

## Compilation of defense contracts cleared and awarded between January 23 and 29

The following is a compilation of contracts cleared and awarded during the period January 23 to January 29, inclusive. These contracts were cleared by the National Defense Advisory Commission and awarded by the War and Navy Departments in the approximate amount of \$26,400,000.

Contracts of \$500,000 or more are cleared by the Production Division of the National Defense Advisory Commission.

### ORDNANCE

#### WAR DEPARTMENT

Elgin National Watch Co.; artillery ammunition components; Chicago, Ill.; \$5,550,000.

### EQUIPMENT AND SUPPLIES

#### WAR DEPARTMENT

Caye Construction Co., Inc.; construction of airport at Manchester, N. H.; New York City and Longmeadow, Mass.; \$993,000.

Clifton & Applegate, and Alloway & Georg; construction of cantonment camp, including buildings, utilities at Sunset Field, Spokane, Wash.; \$1,080,500.

Lionel F. Favret & Boh Bros. Construction Co.; construction of municipal airport, New Orleans, La.; \$1,443,000.

General Construction Co.; construction of cantonment camp, at Snohomish County Airport, Everett, Wash.; Seattle, Wash.; \$982,100.

Mack Manufacturing Corporation; tractor trucks; Long Island City, N. Y.; \$869,140.80.

Marietta Mfg. Co.; all-steel, steam, twin-screw, riveted and welded Army mine planters; one set of Van Dyke negatives; and one set of booklet plans; Point Pleasant, W. Va.; \$8,241,750.

Morgan and Shufflebarger; construction of airfield at Albuquerque, N. Mex.; Albuquerque, N. Mex.; \$1,187,000.

Morrison-Knudsen Co., Inc., and J. O. Jordan & Son; construction of airport cantonment buildings and facilities; Boise, Idaho; \$1,159,000.

M. T. Reed Construction Co.; construction of municipal airport, Jackson, Miss.; Belzoni, Miss.; \$1,377,000.

Standard Steel Works; trailers and dollies; North Kansas City, Mo.; \$941,554.

### NAVY

Caswell, Strauss & Co., Inc.; tin, pig, grade A; New York, N. Y.; \$536,149.60.

Heintz Manufacturing Co.; doors, hatches, and scuttles; Philadelphia, Pa.; \$894,374.67.

Union Switch & Signal Co.; acquisition, construction, and installation of additional facilities consisting of machinery, equipment, and tools; Swissvale, Pa.; \$1,243,000.

## Transfer to new quarters of the Office of Production Management

The Office of Production Management moved January 30 to new offices in the Social Security Board Building on Independence Avenue, between Third and Fourth Streets, SW., Washington.

Mr. William S. Knudsen, Director General; Mr. Sidney Hillman, Associate Director General; Mr. John D. Biggers, Director of the Division of Production; Mr. Donald M. Nelson, Director of the Division of Purchases; Mr. Edward R. Stettinius, Jr., Director of the Division of Priorities; and Mr. Robert W. Horton, Director of Information; all have offices on the fifth floor of the building. Stacy May, Director of Research and Statistics, Frank Bane, Director of State and Local Cooperation, and Paul V. McNutt, Federal Security Administrator and Coordinator of Health, Welfare, and Related Defense Activities, also are located in the new building.

The Office of Production Management will take part of the ground floor, third, fourth, and fifth floors. The reception desk for all offices will be at the intersection of the main corridors on the ground floor. The telephone of the OPM is Republic 7500. Army Ordnance and the Quartermaster Corps of the War Department also have offices in the new building.

Commissioners Davis, Agriculture; Elliott, Consumer Protection; Henderson, Price Stabilization; and Budd, Transportation, of the National Defense Advisory Commission, will remain in the Federal Reserve Board Building temporarily until new quarters are found.

The Division of Information will be in room 5525.

## Statement before the House Appropriations Committee outlining a procurement program for Army clothing purchases; placing of orders in advance of needs

Following is the statement by A. J. Browning, Deputy Director, Division of Purchases, Office of Production Management, before the House Appropriations Committee, outlining a procurement program for Army clothing purchases designed to integrate these purchases into slack seasons of normal civilian clothing production by placing orders in advance of Army needs:

In the procurement of clothing, textiles, and shoes for the Army, the Quartermaster General should buy these items in such a way as to:

1. Make sure that adequate supplies are ready when needed.
2. Keep costs as low as possible.
3. Minimize the impact of Defense buying on the consumers.
4. Cooperate with labor and industry to maintain a stable level of employment.

In a situation where it became necessary for the Quartermaster to purchase large quantities of materials in a short period of time and for quick deliveries, it has not been possible to fulfill all of the above requirements.

### Costs advance

A rush buying program such as we have just gone through tends to create bad market conditions.

When a buyer is faced with the requirements for speed such as have existed in recent months, it is impossible to time the buying so as to enter the market at the most favorable periods. Temporary shortages have been created which have resulted in squeezes and high prices.

Costs of most items have advanced materially and there has been considerable disturbance to industry and labor. Moreover, in several instances it has been necessary to buy substitute materials.

Proper spacing of buying helps industry to operate on a more uniform basis throughout the year and thus increases the effective productive capacity.

The heavy commercial buying of clothing items similar to those used by the Army takes place in the summer and fall. The practice of providing the Quartermaster with funds on the basis of the Government's fiscal year makes it necessary to pile the purchasing for the

Army on top of the peak buying by consumers.

### A year ahead

Large buyers, such as J. C. Penney Co., Montgomery Ward & Co., and Sears-Roebuck & Co., do their buying from 6 months to a year ahead of the time they actually need merchandise. This not only assures them of adequate supplies but also makes it possible for them to take full advantage of the off periods of production and, therefore, secure the lowest prices.

The Government buys very large quantities of specially made products not normally used extensively in civilian life. Manufacturing facilities for many of the most important items used for Army clothing are limited. This is especially true of heavy underwear and the cotton, khaki, cloth. This makes it necessary for the Army to place its orders even further ahead than do the large civilian buyers.

### Year-to-year demand

The raw and semifinished products that go into civilian materials have a continuous year-to-year demand, and stocks of raw and semifinished goods are always in the hands of the secondary producers.

The Army, however, is not in this position. Service shoes, for example, require specially retanned leather not used extensively in civilian shoes. The tanners cannot afford to gamble on receiving Government contracts and therefore do not make up this material until they have bona fide orders.

Lack of full appreciation of the amount of goods needed as working stocks, goods in the process of manufacture, and in the process of being purchased may lead to underestimates of the Army's requirements in a period of mobilization.

Shoes furnish a good illustration of this:

Each soldier added to the present Army requires during his first year a minimum of eight pairs of shoes, in use, on hand in camps and depots, on order, and in the process of being ordered.

Two pairs of shoes are issued to each man when he enters the service.

Three pairs are required to replace the shoes he will wear out during the first year.

One pair must be on hand at the camp or en route to the camp.

One pair in the depot to service the camps, allowing time for obtaining shipments from the manufacturers and to maintain properly balanced stocks.

One pair being manufactured. This is to allow time to tan the leather and to make the shoes (it takes 6 weeks to tan leather properly for Army use).

### Building work stocks

In addition, time is required for issuing the invitation to bid, analyzing the bids, and clearing with the various departments before the awards are made.

Of course, in the second year, this same soldier requires only four pairs of shoes, but during the first year the working stocks must be built up. This is in line with the inventory and distribution experiences of other large buyers, who, in general, follow the same procurement program.

If there is any appreciable increase in the number of men in the Philippines, Hawaii, the Panama Canal Zone, Alaska, or new stations where the requisition time and shipping time is much greater, this too adds to the quantities that need to be on order or in transit.

The present buying program of the Army is so close to the minimum that shortages are certain to develop. When this occurs, the camps, posts, and other distributing points will pyramid and pad their requisitions in an effort to secure sufficient merchandise. This places an additional strain on the procurement agencies and brings about heavy overstocks such as existed during the last war.

Furthermore, if the Army continues to buy its clothing on the present basis, we will be faced with an impossible situation if within the next year the strength of the Army should be increased appreciably over the present plan.

### Inventory control plan

A complete inventory control plan is being set up by the quartermaster and this will greatly facilitate the distribution of clothing and shoes. However, neither this plan nor any other plan can insure that the needs of the Army will be met if we start out with inadequate supplies.

From all of the above it is evident that in order to do a well-planned buying job, which will keep costs at a minimum, give labor continuous employment, keep the

consumer prices down, and obtain deliveries on schedule, orders must be placed from 6 months to 1 year in advance of the time the merchandise is needed.

It is therefore imperative that immediate steps be taken to place long-term contracts for the production of the Army's requirements.

It is recommended that Congress be requested to approve as soon as possible a deficiency appropriation as follows:

A. Woolen cloth.....	\$69,645,436
B. Wool blankets.....	13,760,000
C. Conversion of cloth into garments.....	21,980,464
D. Cotton, khaki, cloth.....	26,160,029
E. Woolen undershirts and drawers.....	12,285,000
F. Wool gloves.....	1,640,000
G. Wool socks.....	4,426,472
H. Leather gloves.....	3,978,504
I. Service shoes.....	11,070,000
J. Leather boots.....	2,644,182
K. Canvas leggings.....	1,607,661
L. Raincoats.....	3,000,000
M. Mosquito bars.....	2,955,000
<b>Total.....</b>	<b>175,152,748</b>

All of the above should be in addition to the fiscal year 1942 appropriation for clothing and equipage. The funds in the fiscal year 1942 estimates will be used for procuring similar stocks to apply on fiscal year 1943.

If the program recommended above is accepted by Congress, it will make possible savings amounting to many millions of dollars.

#### Details of items requested in the proposed appropriation

##### A. Woolen cloth

Woolen cloth for uniforms, overcoats, and accessories is one of the most essential items purchased by the quartermaster. The effect of large Army orders on the domestic wool market and the wool manufacturing industry is highly important.

The early placing of the Army's large orders for woolen cloth will help to prevent bottlenecks in production and sharp price increases such as occurred in the fall of 1940. Early buying will also benefit the American wool grower because if contracts are placed in the near future, the purchases of wool for Army uses will be made while the clip is still in the hands of the wool growers and they will get the maximum benefit of any market condition created by these heavy purchases.

Since an average period of from 4 to 9 months is required between the invitation to bid on the cloth and the final

completion of the garment, delay until July or August in placing these orders will mean that deliveries of uniforms will not be made until midwinter or later.

It is therefore important to have Army orders placed as far in advance as possible so that production will come in slack seasons and not block civilian manufacturing. This will also help provide continuous employment in the industry.

For these reasons it would be a very great advantage if these orders were placed early.

##### B. Wool blankets

Conditions similar to those found in the procurement of woolen cloth exist on blankets. This item requires large amounts of wool of domestic grades and orders should be placed when raw wool supply and mill conditions are most favorable.

##### C. Conversion of cloth into garments

The quartermaster now has on order 15,700,000 yards of wool cloth for coats, overcoats, shirts, mackinaws, caps, trousers, jackets, etc. This cloth is now being manufactured and final production will be completed by July. No funds were appropriated or authorized in this current year's budget to make this cloth into garments.

If these garments are going to be ready for next fall and if congestion is to be avoided, it is necessary that contracts for this work be awarded in the near future. This will also permit the clothing manufacturers to fit this work into their slack seasons, thus stabilizing employment and reducing cost.

##### D. Cotton, khaki, cloth

Standard 8.2-ounce cotton, khaki, cloth is required in large volume for soldiers' clothing. Capacity for production of this material is limited and there were no large civilian supplies available for conversion to Army use.

Great difficulty has been experienced in the procurement of this item during the present fiscal year. It was necessary to purchase six substitute materials, each progressively less satisfactory for military uses. This has disrupted the market on each of these materials and has caused important price increases to the Government and to civilian users.

In order to avoid such difficulties in the future, and particularly to cover the Army's requirements for khaki clothing during the late summer and fall, it is necessary to plan procurement in such a way as to make the most effective possible use of the facilities for producing this cloth. To accomplish this it is

necessary to make long-term contracts immediately.

##### E. Woolen undershirts and drawers

In the heavy underwear industry the requirements for the Army during the current year were greater than the normal production for civilian use. As it was impossible to purchase sufficient quantities of the standard Army item during the past fall, open market purchases were made of all available heavy underwear. Even after doing this the Army was considerably short of warm underwear.

These difficulties can be largely overcome by advance placing of orders so that manufacturing operations and raw material procurement can be properly adjusted.

Unless buying to cover next year's requirements is started now, the Army will face a serious shortage of warm underwear for next winter.

##### F. Wool gloves

Only a small number of manufacturers produce wool gloves and their normal busy season begins in July. During the spring period these plants have little work and most of the employees are idle.

The manufacturers state that their prices to the Government will be 10 to 15 percent lower if they can make the Army's gloves during their off season. They further state that if orders for the Army are not placed early, it will be impossible to produce the quantities needed before winter.

To buy wool glove requirements in the spring is therefore economical, insures adequate supplies, and creates a healthy situation in the industry.

##### G. Wool socks

The Army uses large quantities of wool socks. These can be secured now at reasonable prices and with the least disturbance to industry. In order to accomplish this, long-term contracts should be placed at once.

##### H. Leather gloves

A situation similar to that of woolen gloves exists with leather gloves. In spite of the fact that the Army has accepted many substitutes not entirely satisfactory, it has not been possible to purchase the quantities of leather gloves needed.

Advance placing of orders will result in timely and orderly deliveries during the coming year. Contracts should be placed now for this item.

##### I. Shoes

The manufacture of service shoes requires the use of selected quality, oak-



tanned sole leather and specially tanned upper leather. In order to assure adequate supplies of these materials, it is necessary to place orders far enough in advance of delivery dates to allow sufficient time for both tanning of the leather and making of the shoes.

It is also desirable to do this work so far as possible during the periods when the industry is least active in the production for the civilian market.

It is clearly in the best interest of the service, civilian consumers, labor, shoe manufacturers, and the tanning industry that contracts be placed during the early spring for at least 3,000,000 pairs of Army shoes, in addition to those already on the present procurement program.

#### *J. Leather boots for mechanized and mounted services*

Leather boots are manufactured by relatively few concerns and, therefore, not many bids from experienced manufacturers could be expected. Moreover, the manufacture of leather boots for civilian trade is normally concentrated in the season which begins early in the summer and extends through the fall.

Because of these conditions the Army was unable to obtain bids for sufficient quantities to cover its requirements for the fall and winter of 1940, and the price increases have been excessive.

Placing contracts for boots to be manufactured during the normally slack season in the early spring would protect the Army against inability to cover its requirements and would be consistent with orderly procurement.

#### *K. Canvas leggings*

Considerable difficulty has been experienced in securing sufficient quantities of this item. This is caused by the limited facilities for manufacture of products of this kind. It is therefore recommended that an early appropriation be made.

#### *L. Raincoats*

As raincoats are not used extensively by the civilian population and as manufacturing capacity is limited, great difficulty has been experienced in the past few months in securing reasonable quantities of the standard Army raincoats and it has been necessary to use unsatisfactory substitutes.

#### *M. Mosquito bars*

Capacity for producing mosquito bars is limited, and to secure the large quantities required by the Army, it is necessary that this be produced over a considerable period of time. It is therefore evident that contracts should be placed at once for this item.

## TRANSPORTATION . . .

### **Vast improvement in freight car handling at ports in 1940 as compared with 1918; twice weekly reports of the situation to prevent congestion and tie-ups**

Ralph Budd, Transportation Commissioner, reported last week that during 1940, increases in export movement through certain North Atlantic ports—as high as 100 percent over 1939 levels and approximately equaling the 1918 peak—have been handled without congestion and without undue detention of loaded freight cars or overcrowding of terminal facilities.

Transportation difficulties experienced during World War I have been studied during the period since that time with resultant conclusion that the shortage of transportation then experienced was primarily due to the tying-up of freight-car equipment with freight that could not be unloaded because of congestion at ports.

At one time in 1918, there were in excess of 200,000 loaded cars held in the eastern part of the country, resulting in congestion there and a shortage of cars for loading in the West.

#### **Accurate port data**

Early in 1940 it became apparent that the war in Europe was resulting in a substantial increase in export movement through certain ports, and in order to prevent any accumulation of loaded cars beyond the ability of the ports to absorb, the Association of American Railroads established an office of port traffic with a manager charged with the duty of obtaining regularly reports as to the situation at each port, this information being necessary as a guide to action in the event accumulations began to develop.

In 1918, accurate data were not available, with the result that the situation got out of hand and congestion reached an incurable stage before action could be taken.

#### **Report twice weekly**

Under the present arrangement, the Transportation Division is furnished information twice weekly as to the number of cars on hand at all North Atlantic and Gulf ports and as to the average

daily unloadings. Up to now similar information has not been felt necessary so far as Pacific coast ports are concerned, but this is being arranged effective February 1, 1941.

Regular reports also are received showing the total amount of railroad storage space available at the ports and the extent to which it is utilized.

In the event of incipient accumulation at any point, movements can be controlled thereafter by means of placement of embargoes restricting shipment except when a specific permit has been issued. So far, this action has not been necessary at any port, except for a few months last year when the movement of grain into New Orleans was restricted by embargo because of the elevators being full with insufficient boats in sight to lift grain then on hand

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### **Employment of 253,400 additional shipyard workers by June 1942**

Secretary of Labor Perkins said the expanded Federal shipbuilding program will give employment to 253,400 additional workers by June 1942. Approximately 126,000 wage earners were employed in construction of Government vessels in November 1940. Secretary Perkins said, and the enlarged program will require an additional 126,000 skilled workers, 62,100 semiskilled workers, and 59,000 unskilled workers.

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### **Quartermaster General control of all Army construction**

Secretary of War Stimson announces that all construction projects, including fortifications, are under the control of the Quartermaster General although it is the policy of the War Department wherever possible to conform with the view of local corps area commanders.

# CONSUMER DIVISION . . .

## Effective curtailment of unjustified price increases in consumer goods and of "scare" advertising; vigilance of business, trade associations, and individual merchants

Unjustified price increases in consumer goods and of "scare" advertising at the retailing level are being curtailed effectively through the vigilance of business and trade associations as well as individual merchants, states the Retailers' Advisory Committee.

Summarizing activities during the first 5 months of the committee's existence, Walter Morrow, secretary, reports that methods are being worked out for the rapid detection and remedy of business practices which might prove harmful to consumer well-being as the defense program progresses.

The Retailers' Advisory Committee, headed by Fred Lazarus, Jr., vice-president of the F. & R. Lazarus & Co., Columbus, Ohio, was elected last fall by representatives of 52 national retail trade organizations meeting in Washington.

The conference was called by Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, to discuss methods of cooperation between retail merchants and the Consumer Division in the interest of consumer protection.

### Four-point program

The Advisory Committee is pursuing a four-point program, designed to protect consumer-retailer interests and to prevent the occurrence of a rapid upward spiral of prices.

This plan involves:

1. Price reporting at the preretail level to detect unfair increases.
2. Prevention of scare advertising and speculative buying by retailers and the public.
3. Prompt information to the public about quality changes or substitutions in consumer goods.
4. Publicizing the work done by Government and retail buyers to prevent disruption of production facilities for consumer commodities.

In the preretail price-reporting program, business organizations are investigating price movements in accordance

with self-control methods recommended by the Consumer Division and the Retailers' Advisory Committee. Price increases are reported to the appropriate retail trade association by merchants and by the Advisory Committee.

### Satisfactory cooperation

The trade associations then confer with the manufacturer, determine whether the increase is warranted or unwarranted, and try to adjust the situation then and there. The associations have reported that the cooperation of manufacturers generally is very satisfactory.

Besides working against unjustified preretail price advances, the Advisory Committee is urging retail merchants to avoid unnecessary mark-ups in their own price policies. The Committee suggests that merchants and producers adopt the policy recommended by the Consumer Division—namely, to seek profits through increased sales volume at low prices rather than through raising prices.

### Better Business Bureaus

Scare advertising—"buy now before the price goes up"—is being checked by the joint efforts of the Better Business Bureaus and the Retailers' Advisory Committee.

The Better Business Bureaus have been examining all advertising in the 60 cities where they maintain offices. Recently, they agreed to extend this work by covering the territory surrounding these centers. Merchants are cooperating, they report, in discontinuing advertising of the "buy now" variety.

"The work of these business organizations is proving very helpful in the Consumer Divisions' effort to discourage fear-arousing practices which might lead to speculative buying, consumer panics, and economic instability," Commissioner Elliott reports.

### Dissemination of information

To combat unjustified rumors of severe shortages and price rises in certain con-

sumer goods, attributed to military requirements, the Consumer Division is making information available to the Retailers' Advisory Committee which, in turn, is disseminating full information to trade associations and merchants on production capacity and supply situations.

These reports have already been distributed in the case of woolen commodities and leather shoes. The Retailers' Advisory Committee urged retail merchants to resist general or marked pre-retail price advances in shoes and woolens and declared that proposed increases were not warranted by supply and production factors as rumored.

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## Suggestion that more extensive use of fish can ease strain on food budgets

Consumers faced with rising meat costs can ease the strain on their food budgets by more extensive use of fish, suggests the Consumer Division in a recent issue of its semi-monthly bulletin on Consumer Prices.

Pointing out that fish provide necessary minerals and vitamins as well as protein, the bulletin reports that there are ample supplies of frozen fish for consumers not living near seas, lakes, or rivers. Studies by the United States Fish and Wild Life Service show that there is no loss in food value or noticeable difference in taste of properly frozen fish.

The bulletin describes points to watch in the purchase of fresh fish and lists sources of information on the preparation of fish.

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## Slight increases in the price of food in 18 cities between mid-December and mid-January

Retail prices of food in 18 large cities showed slight increases, between mid-December and mid-January, in beef, canned pink salmon, fresh grocery milk, and flour, according to figures compiled by the Bureau of Labor Statistics.

Larger retail increases were noted for pork chops, bacon, roasting chickens, and cabbage. Pork chops averaged 7.2 percent higher in the 18 cities. Increases in cabbage prices are seasonal.

Seasonal decreases appeared in the retail price of eggs, butter, and oranges.

## Bulletin contains suggestions for utilizing consumer services rendered by U. S. agencies

Suggestions for utilizing consumer services rendered by municipal, State, and Federal Government agencies are contained in a bulletin currently issued by the Consumer Division, entitled "Strengthening the Machinery for Consumer Protection."

Pointing out that knowledge of the existence of these agencies is not enough, the bulletin suggests that consumers determine whether protective laws in their localities are adequate and whether the agencies responsible for enforcement are operating effectively.

Possible lines of consumer action are outlined for using governmental services in safeguarding food supplies, checking weights and measures, securing better food-market information, extending the use of standards, and curtailing harmful advertising practices.

This bulletin supplements a Directory of Governmental Consumer Services and Agencies previously issued. Both are available from the Consumer Division of the National Defense Advisory Commission, Washington, D. C.

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## 46 cold-storage facilities in new Army camps and posts; food contracts to 10 firms

To assure a plentiful supply of good food for the rapidly expanding Army, 46 cold-storage facilities in new Army camps and posts in all parts of the country either are under construction or will be started soon, the War Department announces.

Each unit will provide properly refrigerated storage space and facilities for perishable food to supply 12,500 men for 4 days. The units will be of reinforced concrete construction. A temperature of 10° will be maintained in the center compartment, while the surrounding space for vegetables and dairy products will be from 35° to 38°.

Meanwhile the War Department announces that, according to standard Quartermaster Corps procurement procedure, the Chicago Quartermaster Depot recently has awarded contracts totalling \$2,479,741.29 to 10 packing houses for nearly 3,000,000 tins, cans, and jars of food which will be used to feed the Army during the first quarter of 1941.

## H. J. Res. 80, passed by the Senate, does not extend indefinitely the time limit for filing applications for certificates for accelerated tax amortization of facilities

The Certification Unit of the National Defense Advisory Commission points out to interested manufacturers that House Joint Resolution 80, passed by the Senate January 29, does not extend indefinitely the time limit for filing applications for certificates required for accelerated tax amortization of facilities acquired or constructed to meet the needs of the defense program.

Section 124 of the Internal Revenue Code provides for a 5-year amortization for tax purposes of emergency plant facilities which are "necessary in the interest of national defense during the emergency period." House Joint Resolution 80, which has now been passed by both Houses of Congress, has the expressed purpose of amending this section of the Revenue Code "by extending the time for certification of national-defense facilities and contracts for amortization purposes."

However, it is pointed out that the bill by no means extends indefinitely for all companies the existing deadline of February 5 for filing applications for "Certificates of Necessity." It will, if signed by the President, ease to a limited extent only the filing date requirements for manufacturers who have begun construction of new facilities since December 8.

### Before 60 days

Under the bill, a manufacturer who began construction on or before December 8 must still make application for a certificate of necessity by February 5, although the certificate would not have to be actually issued by that date, which is required under the existing law.

The amendment embodied in House Joint Resolution 80 provides that application must be made "before the expiration of 60 days after the beginning of such construction, reconstruction, erection, or installation, or the date of such acquisition, or before February 6, whichever is later."

Thus, if a manufacturer begins construction before December 8, he must file application before February 6, but if construction is begun after December 8, he is permitted 1 day of grace for each day following the December 8 date.

If construction is begun on December 9, for instance, application must be made

before February 7; if it is begun on December 10, application must be made before February 8, and so on.

The amendment similarly affects requirements for filing applications for Certificates of Government Protection and Certificates of Non-Reimbursement by companies having Government contracts. Under the bill such applications must be filed "before the expiration of 60 days after the making of such contract, or before February 6, 1941, whichever is later."

In the case of a manufacturer who begins construction after February 5, the bill permits him to wait 60 days after starting to build, or after acquiring the facilities before he is required to file an application.

In contrast, the present law requires that the application not only be submitted but actually approved before construction is even begun.

The bill also gives the War and Navy Departments and the National Defense Commission a greater opportunity to make thorough investigations of applications for certificates, since the time limit is placed upon the filing of the application rather than upon its issuance.

In general, the bill requires that a manufacturer, to qualify for the special amortization deduction, must be granted a Certificate of Necessity before the due date for filing his income tax return for the taxable year for which he wishes to begin the deduction.

It is not necessary to have contracts or subcontracts with the War or Navy Departments to receive consideration for a Certificate of Necessity. Interpretation of the phrase "necessary in the interest of national defense" must be made on the merits of each individual case.

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## NYA AIDS TO AVIATION

NYA Administrator Williams said in his annual report that NYA programs designed to aid aviation phases of the national defense program have resulted in 6 new airplane landing fields and improvements to 14 others; setting up 96 new seaplane-landing facilities; establishing 3,400 airport boundary markers, and placing more than 1,000 airway markers.

# LABOR DIVISION . . .

## Statement by a conference of industrial engineers on the vital need for swinging idle manpower and idle machines into the defense program

Morris L. Cooke, management engineer attached to the staff of Sidney Hillman, Associate Director General of the Office of Production Management, on January 30 made public a statement issued by a conference of industrial engineers called here to consider problems concerned with "farming out" defense contracts.

"As a Nation engaged in a mighty effort," the statement said, "we are making far too little use of our secondary producing facilities. A great part, if not all, of the manufacturing machinery of the country, regardless of age, can be brought into defense production."

### "Need . . . vitally urgent"

The engineers approved the pioneer work of the Labor Division of the National Defense Advisory Commission under the direction of Mr. Cooke in surveying ghost towns and stimulating national recognition of the need for swinging idle manpower and idle machines into the defense program.

"The success and effectiveness of the principle of subcontracting or 'farming out' has been demonstrated," the report said, "and the need for its rapid and widespread extension is vitally urgent."

In their statement the engineers placed the blame for only partial use of the facilities of the Nation's smaller firms on the fact that defense production is still in its preliminary stages, and on "the failure of prime contractors to tap this large reservoir of latent productivity. Owners and managers of smaller plants," the statement mentioned, "have not appreciated the possibility that their facilities could and should be fully engaged in defense production."

### Coordinated effort

The engineers recommended that each prime contractor set up a group within his own organization to specialize in the handling of subcontractors. "This implies," they added, "that a sound, well-knit, and coordinated effort is necessary

between the prime contractor and his subcontractors. It is not a part-time job."

They urged that subcontractors who are too small to afford the hiring of technical assistance obtain the aid of either local or national organizations. These are in a position to help them apply the best management and shop practices.

"In many communities," the statement said, "local organizations are prepared to furnish information to prospective subcontractors about prime contractors who may desire, or be persuaded, to 'farm-out' work." Mr. Cooke told the engineers that his staff was currently in touch with nearly 200 such local groups.

Those attending the meeting, in addition to Mr. Cooke, were:

H. S. Person, consulting economist, Rural Electrification Administration, Washington, D. C.; Wallace Clark, consulting management engineer, Wallace Clark & Co., New York City; L. P. Alford, consulting engineer, chairman, Department of Administrative Engineering, New York University, New York City; Stanley P. Farwell, president, Business Research Corporation, Chicago, Ill.; John A. Willard, senior partner, Bigelow, Kent, Willard & Co., New York City; Ray M. Hudson, industrial secretary, New England Council, Boston, Mass.; William S. Ford, William S. Ford, Inc., Milwaukee, Wis.; A. Dangler, Jr., the Trundle Engineering Co., Cleveland, Ohio; George T. Trundle, Jr., the Trundle Engineering Co., Cleveland, Ohio; William H. Gesell, vice president, Lehn & Fink, Bloomfield, N. J.; John J. Furia, director of training, city of New York; George S. Armstrong, president, George S. Armstrong Co., Inc., New York City; James Reed, president, Cramp Shipbuilding Co., Philadelphia, Pa.; Sanford E. Thompson, president, the Thompson & Lichtner Co., Inc., Boston, Mass.; Norris N. Perris, senior partner, Stevenson, Jordan & Harrison, Inc., New York City; Francis Trecker, Kearney & Trecker, Milwaukee, Wis.

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## CLOTHING WORKERS' WAGES

Secretary of Labor Perkins has established wage minimums ranging from 40 to 60 cents an hour for workers employed in the manufacture of uniforms and clothing for the Government. The wage minimums will apply on all contracts after February 25.

## Establishment of the Training-Within-Industry Program on a Nation-wide basis; consultants already at work in 40 cities

The Training-Within-Industry program has been established on a Nation-wide basis, Sidney Hillman, Associate Director General of the Office of Production Management, said February 4 in announcing appointment of 16 district representatives.

Consultants to serve defense industry are already working under the direction of these representatives in more than 40 cities throughout the country.

"It is through this 'on-the-job' training program," he explained, "that the Labor Division of the National Defense Advisory Commission is helping industry to solve many of the major problems concerned with maintaining a steady flow of skilled men and women to tend the machines of defense, when and where they are needed."

### Employing the jobless

Mr. Hillman emphasized the point that throughout this Training-Within-Industry Program special stress is laid upon employing the unemployed and fitting them for useful places in industry.

He emphasized also that the greatest vigilance is exercised to safeguard the skills and employment opportunities of labor already qualified for defense work. Only in cases where skilled workers are not available and then only after an exhaustive search for them has been made is this training-within-industry procedure brought into play.

The district representatives have been selected after many consultations with all groups involved, Mr. Hillman stated. They are experts in this field who have been approved jointly by labor unions and by management and are being loaned by industry to serve without pay.

### Council of four

Each representative will be assisted by a council of 4 advisers—1 AFL and 1 CIO representative, and 2 from industrial management. In addition, he will have the assistance of a panel of 10 or more personnel and training consultants

borrowed from industry and available to help defense plants install training programs. When the schedule gets into full operation there will be from 300 to 400 such aides on call.

To expedite this whole undertaking, the United States has been divided into 22 districts with main offices in the following industrial centers:

Boston, Hartford, Up-State New York, New York City, Newark, Philadelphia, Baltimore, Canton, N. C., Atlanta, Cincinnati, Pittsburgh, Cleveland, Detroit, Indianapolis, Chicago, St. Paul, St. Louis, Houston, Denver, Los Angeles, San Francisco, and Seattle.

### Grading employees

"Under training-within-industry methods set up by the Labor Division," Mr. Hillman declared, "the length of time for doing highly involved and delicate defense operations has been appreciably shortened, and potential shortages of skilled labor averted.

"This has been achieved by applying a process of grading employees in progression up through jobs of higher skills within defense plants. Of equal significance are the training of all-round skilled workers through apprenticeship and the development of supervisory personnel."

The program is under the direction of two of the country's foremost personnel authorities—Channing Dooley of Soco-Vacuum Oil Co. and Walter Dietz, his assistant, of Western Electric Co.

### Six experts

They are assisted by a committee of six experts in this field from organized labor and six from management, as follows:

Walter Reuther, United Automobile Workers of America; E. C. Davison, International Association of Machinists; Clinton Golden, Steel Workers Organizing Committee; Marion Hedges, International Brotherhood of Electrical Workers; John Green, Industrial Union of Marine and Shipbuilding Workers of America; John E. Rooney, Operative Plasterers' and Cement Finishers' International Association; Randall R. Irwin, Lockheed Aircraft Corp.; W. G. Marshall, Westinghouse Electric & Mfg. Co.; M. S. Burke, United Aircraft Corporation; E. J. Robeson, Newport News Shipbuilding and Dry Dock Co.; C. S. Ching, United States Rubber Co.; and K. F. Ode, Falk Corporation.

These training programs are carried on by industrial concerns within their

own plants at their own expense. The availability and value of this service are being publicized and defense contractors urged to take advantage of the opportunity to obtain guidance in launching a streamlined training program in their plants.

### Representatives named

The 16 district representatives who have been appointed are listed below, together with the cities where they are stationed and their management background.

*Boston*—Clarence G. McDevitt, recently vice president, New England Telephone and Telegraph Co.; *Hartford*—Ernest A. Stowell, Underwood-Elliott Fisher Co.; *Newark*—Glen Gardiner, Forstman Woolen Co.; *Canton, North Carolina*—George G. Arthur, Champion Pulp and Paper Co.; *Atlanta*—J. E. McDaniel, Georgia Tech; *Cincinnati*—Paul Mooney, Kroger Grocery Co.; *Pittsburgh*—C. S. Coler, Westinghouse Electric & Mfg. Co.; *Cleveland*—Oscar Grothe, White Sewing Machine Co.; *Detroit*—M. M. Olander, Owens-Illinois Glass Co.; *Indianapolis*—C. R. Evans, International Harvester Co.; *Chicago*—Paul A. Mertz, Sears, Roebuck & Co.; *St. Paul*—Ernest L. Olrich, Munsingwear Co.; *Denver*—George Kirk, Colorado Fuel & Iron Co.; *Los Angeles*—William K. Hopkins, Union Oil Co.; *San Francisco*—Alexander R. Heron, Crown-Zellerbach Corp.; and *Seattle*—Gen. H. G. Winsor, Puget Sound Light & Power Co.

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## Announcement that names have been chosen for two Army posts

The War Department announces that names have been selected for two Army posts. One of these posts has been designated a "fort" because of its permanent nature, while the other was designated "camp," because of its temporary use.

The names selected, the post, and the man for whom it was named:

Fort Dawes, the military reservation at Deer Island, Mass., a subpost of Fort Banks, named for William Dawes, a fellow messenger with Paul Revere on his famous "ride."

Camp Forrest, the new name selected for Camp Peay, near Tullahoma, Tenn., named for General Nathan Bedford Forrest, famous Confederate Cavalry General.

## Release of bulletin by Mr. Cooke on "The Problems and Organization of Farming Out"

Morris L. Cooke, management engineer attached to the staff of the Labor Division, February 3, released a bulletin entitled "The Problems and Organization of Farming Out," and called on firms holding prime contracts to redouble efforts to spread their work among smaller companies throughout the country.

The bulletin, Mr. Cooke stated, outlines a program of action and contains an exhaustive study of the problems of "farming out." It should prove helpful, not only to prime contractors but also to subcontractors and local defense production groups. It is the fourth of a series of such bulletins prepared by Mr. Cooke in his campaign to revitalize the "ghost towns" of America by bringing idle men and idle facilities into the defense program.

For further information on this subject, apply to Mr. Cooke, Labor Division, National Defense Advisory Commission, Federal Reserve Building, Washington, D. C.

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## Supervision by Leopold Stokowski of an experiment to develop versatile bands at training camps

As part of a general experiment designed to develop versatile military bands for the large training centers to be established on the Pacific coast, the War Department announces that Leopold Stokowski, widely known director of the Philadelphia Symphony Orchestra and the All-American Youth Orchestra, will supervise special training being given to an 85-piece experimental band at Fort MacArthur, Calif.

In this modernization of the Army bands, a basic purpose will be the exploitation of music in the development of esprit de corps among troops.

Mr. Stokowski hopes through re-instrumentation and rescoring of the music to suggest a new organization for military bands, and to remove foreign characteristics in traditional band music and make it "more typically American."

Mr. Stokowski is donating his services to the Army.

# DEFENSE HOUSING . . .

## Award of contracts for additional 1850 dwelling units under the coordinated housing program

Award of contracts for an additional 1,850 dwelling units under the Coordinated Defense Housing Program during the week ended January 25, is announced by C. F. Palmer, Defense Housing Coordinator.

Mr. Palmer reported that 1,550 of the units for which contracts were awarded would be to house civilian industrial workers while 300 would be for families of the civilian employees of the Army and the Navy and the enlisted personnel.

### Civilian housing

A slight increase in the number of family dwelling units completed under the Defense Housing Program was also announced. This figure rose from 1,035 to 1,257. All of the new units completed during the week were constructed for the use of the families of civilian industrial workers.

Mr. Palmer reported there had been a slight decline in the number of new homes started under the facilities of the Federal Homes Administration but that mortgages selected for appraisal by that agency had shown a substantial gain.

The number of mortgages selected for appraisal by the FHA, he said, is a good indication of what may be expected in the future in private building. New homes started for the week ended January 25 under the FHA totaled 2,174 compared with 2,597 the previous week while mortgages selected for appraisal numbered 4,537 compared with 4,261 the week ended January 18.

### Summary

A summary of the work of each agency as of last week showed:

**Navy.**—As of January 28, the Navy was progressing on the construction of 15,915 dwelling units under contract in vital defense areas.

**Federal Works Agency.**—Federal Works Agency reported the awarding of two contracts by the Public Buildings Administration for the construction of 400 defense housing units at an estimated

STATUS OF PUBLIC DEFENSE HOUSING  
CONSTRUCTION, JANUARY 28, 1941

	Funds allocated	Contracts awarded	Completed
Number of States and Territories . . . . .	40	36	7
Number of localities . . . . .	95	75	10
Number of projects . . . . .	186	115	11
Number of family dwelling units . . . . .	54,082	34,016	1,257
Civilian industrial workers . . . . .	22,092	13,692	222
Other civilians: Employees of Army and Navy . . . . .	8,646	5,001	582
Married enlisted personnel . . . . .	23,345	15,323	453

PRIVATE CONSTRUCTION UNDER FHA  
MORTGAGE INSURANCE

	Week ended Jan 25	Previous week
New homes started . . . . .	2,174	2,597
Mortgages selected for appraisal . . . . .	4,537	4,261

cost of \$1,265,000. The projects were designated for the occupancy by married enlisted personnel of the Army and will be constructed at Edgewood, Md., and Ellington Field, near Houston, Tex.

This makes a total of 17,902 units at a construction cost of \$53,669,182 that have now been put under contract through the Federal Works Agency.

**Federal Housing Administration.**—The FHA reported that sharp gains in new home construction activity under the FHA program during recent weeks are probably foreshadowing the largest spring building season within the past 13 years. FHA Administrator Ferguson reported that in the 3 weeks ended January 25, houses built under FHA inspection showed an expansion of 68 percent over the comparable period of last year.

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## Announcement by Mr. C. F. Palmer of minimum standards to assure well-planned defense housing

Minimum standards, designed to assure adequate and well-planned housing under the defense housing program, were

announced by C. F. Palmer, Defense Housing Coordinator, on January 29.

In releasing the document, which had been reviewed in draft form by the various housing agencies of the Government, Mr. Palmer stated that the present emergency makes it especially important to protect the health and morale of the families and workers who are responsible for the defense program.

"The welfare of the Nation at war or at peace requires that decent housing conditions be maintained," he said.

### Three categories

Minimum standards of the Division of Defense Housing Coordination cover three main categories: Permanent housing, demountable or high salvage value, and portable.

The manual stated that in localities where a permanent increase in population is contemplated, any house to be built for the families of defense workers should be designed for permanent use.

In localities where the defense activities creating the housing need are of uncertain duration, but where any house which is built may at the end of the emergency become a permanent part of the local low rent housing and slum clearance program, the defense accommodations built should be designed for permanent use.

### Demountable construction

In other localities where activity in connection with the defense program is of highly uncertain duration and where there is no chance of integrating the new housing with the normal needs of the locality, it was pointed out that construction should be demountable and have a high salvage value.

It was emphasized, however, that the construction of this type of house did not mean that standards of livability, safety, convenience, and health should be lower than those established for permanent housing.

The manual stated that portable houses would be introduced where there is an acute shortage and where the immediate provision of shelter is absolutely essential in order that defense activities may not be slowed up.

A portable house was designated as one so constructed that it could be readily moved or transported on public highways without being disassembled.



# Submitting of Locality Program Report on housing, outlining the situation in its relation to the National Defense Program

C. F. Palmer, Defense Housing Coordinator, made public on February 3 the following letter:

JANUARY 30, 1941.

THE PRESIDENT,

*The White House.*

Mr. PRESIDENT: Pursuant to Executive Order No. 8632, dated January 11, 1941, and the Regulations Governing Defense Housing Coordination, dated the same day, there is submitted herewith a locality program report for each of the places listed below which outlines the housing situation in its relation to the National Defense Program. These locality program reports which I recommend for your approval have been developed in cooperation with departments and agencies concerned, and include such of their recommendations as are deemed feasible. To the extent indicated in these reports, an acute shortage of defense housing exists, which requires action under Public 781, Seventy-sixth Congress (sec. A) or Public 849, Seventy-sixth Congress (sec. B).

## SECTION A

Place	Approximate number of family dwelling units		
	Present program for defense housing (including needs already being met)	Previously recommended for Federal construction	Herewith recommended under Public, No. 781
Kodiak, Alaska.....	275	250	25
Rantoul, Ill.....	400	300	100
Ponce, P. R.....	200	.....	200

It is respectfully recommended that you approve the enclosed allocation request within the meaning of Public, No. 781, Seventy-sixth Congress.

NOTE.—The Division of Coordination of National Defense Housing is now, by Executive order, in the Office for Emergency Management of the Executive Office of the President.

## SECTION B

Place	Approximate number of family dwelling units		
	Present program for defense housing (including needs already being met)	Previously recommended for Federal construction	Herewith recommended under Public, No. 849
Birmingham, Ala.....	300	.....	300
Gadsden, Ala.....	250	.....	150
Mobile, Ala.....	500	.....	500
Muscle Shoals, Ala., locality (including Florence, Sheffield, Tusculum, Muscle Shoals, Ala.).....	500	.....	250
Bridgeport, Conn.....	1,500	.....	600
New Britain, Conn.....	300	.....	300
Waterbury, Conn.....	300	.....	300
District of Columbia.....	2,684	1,135	1,000
Alton, Ill. (including East Alton, Ill.).....	150	.....	150
Charlestown, Ind. (including Louisville, Ky.).....	400	.....	400
South Bend, Ind.....	500	.....	500
Wichita, Kans.....	400	.....	400
Baltimore, Md.....	2,000	.....	2,000
Buffalo, N. Y.....	1,000	.....	1,000
Elmira, N. Y.....	200	.....	200
Kearny, N. J. (including Harrison, N. J.).....	1,000	.....	1,000
Paterson, N. J. (including Passaic, N. J.).....	500	.....	500
Pedricktown, N. J.....	100	.....	100
Akron, Ohio.....	300	.....	300
Canton, Ohio.....	300	.....	300
Cincinnati, Ohio.....	350	.....	350
Ravenna, Ohio (including Warren, Ohio).....	350	.....	200
Allentown, Pa. (including Bethlehem, Pa.).....	500	.....	500
Beaver Co., Pa.....	500	.....	500
Ellwood City, Pa.....	150	.....	100
Philadelphia, Pa.....	3,100	1,000	500
Titusville, Pa.....	200	.....	200
Williamsport, Pa.....	250	.....	250
Nashville, Tenn.....	300	.....	300
Dallas, Tex. (including Grand Prairie).....	300	.....	300
Dumas, Tex.....	50	.....	50
Ogden, Utah.....	1,000	.....	150
Manitowoc, Wis.....	550	.....	400

Where the total program for the above localities exceeds the total of Federal construction recommended, the Locality Program Report for that place, except for Gadsden, Ala., anticipates that the remainder of the need will be met through privately financed construction or modernization of existing vacant units. In Gadsden, the remainder is composed of a Defense Homes Corporation project as

indicated in the attached Locality Program Report. With respect to those portions of each program for which action under Public, No. 849, Seventy-sixth Congress, is indicated, it is respectfully recommended that you find an acute shortage of housing to exist, within the meaning of that act.

The reasons upon which the recommended Government housing programs are based vary to some extent in each case. They are stated in detail in each Locality Program Report and can generally be summarized as follows: National Defense activities in the locality have caused a sudden and immediate need for the number of dwelling units indicated for occupancy by persons of limited incomes engaged in national defense activities. Such need cannot be provided for by private capital either, because the extent thereof is beyond the capacity of normal building activity in the area, or the continuance of need is so uncertain or the rentals so limited that private capital cannot afford to take the risks involved.

In addition, the following programs, requiring neither of the above-mentioned actions, are submitted for your approval: Annapolis, Md., and Morgantown, W. Va.

Upon your approval of the programs recommended in these Locality Program Reports, and your approval of the enclosed allocation request, and upon your findings as above recommended, each Federal agency will be advised of its part in each proposed program.

Respectfully,

C. F. PALMER, Coordinator.

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## Plans for construction of three new Army general hospitals

Plans for construction of three additional Army general hospitals were completed January 29, it was announced by the War Department. Construction work on one of the projects already has started while work on the other two will get under way soon.

The hospitals:

Fort Dix, N. J., 1,000 beds; Fort Devens, Mass., 1,000 beds; and Springfield, Mo., 1,000 beds.

The three new hospitals bring to a total of nine the general hospitals under construction for the Army. The nine hospitals have a total capacity of 9,500 beds.

# STATE AND LOCAL COOPERATION . . .

## New Jersey local defense plans show how one State is seeking to coordinate defense efforts; proposals for municipal defense councils and community defense services

Two suggested guides to local defense action in New Jersey indicate the type of activities that one State defense council has already undertaken. These two documents, recommended by the New Jersey Defense Council and approved by the Governor, *have been furnished to the 114 official local defense councils set up in New Jersey thus far.*

Basic to local defense organization is the *Official Municipal Plan of Defense*. The plan is suggestive only in recognition of the fact that "the governing body of each municipality, with their better understanding of local conditions, will be able to judge what the full local plan should comprise."

It is emphasized that care should be exercised to limit cooperative activities only to those projects officially approved by the Federal, State, or local government, or agency thereof.

The second document, *Community Defense Service Councils*, is supplementary. As an integral part of the local defense councils, community defense service councils are proposed "to create, direct, and redirect recreational, social, religious, civic, patriotic, and other community activities in support of the military training program being inaugurated by the Federal Government."

### Official defense councils

Initial step suggested in the New Jersey plan is appointment of a defense council by the executive officer of the local municipality. This council should not be larger than its duties require, the statement points out. Since selection of personnel will be the most important single factor, each member should be selected on the basis of proven abilities.

The plan points out that council members may properly include "public spirited citizens who have exhibited a sincere devotion to the public welfare," a representative of industry and one of labor, and probably the chief local police officer.

This council should be charged with analyzing local defense needs and proposing adequate steps to meet them. "As a basic principle," the plan continues, "the council must guard against creating or encouraging war hysteria. It must also be watchful that unfounded rumors do not incite the local citizens—either in general, or against particular persons."

### Production for defense

In this phase of the total plan, the following steps are suggested:

First, a survey throughout the community to determine the number and names of persons with special technical ability, who might be needed for increased production of materials and equipment in any of the defense industries.

As a second step, a community drive might be carried on for the purpose of interesting persons with necessary qualifications, to undertake special vocational education.

It is emphasized that one important service which the council can render is to make known the opportunities in industry for residents of the community, as well as to cooperate with governmental agencies responsible for administering training programs.

### Municipal vulnerability

It is suggested that a careful study be made to ascertain what facilities may be especially vulnerable to sabotage or other subversive activities. These include railroads, public utilities, gas storage tanks, industrial plants, water supplies, and sewage plants. The next step would be recommendations for adequate protection of all such vulnerable spots.

Another project suggested for consideration is development of a local police reserve under the local chief of police.

It is pointed out that this organization should be trained to assist law enforcement agencies in protective duties as well as in traffic service. It may also assist in local protection of vulnerable spots. It is emphasized that this organization

should not be used as a supplementary police force under ordinary conditions, but that it may prove invaluable in time of emergency.

A survey of motor vehicles is also proposed to determine the number and types of all motor vehicles which might be available for service in the motor patrol.

The motor patrol—whatever part of it might be required—could be mobilized to render service in transportation of supplies to those injured in emergencies, and to assist law enforcement agencies in emergencies.

### Health and first aid

An objective of this phase of the plan should be the development of a widespread knowledge of the fundamentals of first aid, the report continues. Each community, through its doctors and nurses or others qualified to help in first aid work, might inaugurate classes for training of citizens in the fundamentals of first aid and general health work. Cooperation could be secured from the local chapter of the American Red Cross.

Those charged with health and first-aid functions should take steps to provide hospitalization, at least of an emergency character, in event of some local emergency.

### Employer-employee relations

It is recommended that every industrial community in New Jersey, through its Defense Council, study its employer-employee relations with the idea of having labor and management disputes settled through arbitration, while work goes on uninterrupted. "The fact can be stressed," the statement continues, "that it is labor's patriotic duty to continue to work—that it is a Government's patriotic duty to protect the right of a man to work, and that it is the employer's patriotic duty to pay satisfactory wages, maintain satisfactory hours and satisfactory working conditions."

Proper functioning of this phase of the general plan will prove valuable in the following ways, it is believed:

1. Help in conjunction with the State Labor Department and the National Labor Relations Board in settling of all disputes;
2. Conduct an educational campaign, pointing out that work is an American tradition, that it is patriotic to work;
3. Transfer from relief rolls to pro-

ductive employment every possible employable person;

4. Assist employers and employees in establishing the citizenship or other requirements for employees to obtain work in production industries.

#### Public relations

Success of a community program can be materially aided by the proper type of publicity, according to the statement. A publisher or editor of a local newspaper might be a suitable person to be charged with this function, it is added.

It is emphasized that the plan outlined above is not presumed to be complete. Other projects may be needed in some municipalities.

Finally, it is pointed out that "in the absence of any emergency—and this is the hope of everyone—these activities must produce a better and finer community spirit in each municipality."

#### Community defense service

Supplementary to the plan outlined above is a second, proposing community defense service councils to mobilize and coordinate the efforts of all existing community service organizations and to create new ones where gaps now exist. The service field is threefold:

1. Service to the enlisted men of the Army and Navy with special emphasis on those communities adjacent to Army or Navy posts.

2. Service to industrial workers, particularly in communities where armament requirements have enlarged productive facilities to a point where existing housing, health, and recreational facilities may be overburdened.

3. Service to civilians, who must maintain their morale, their productive facilities, and their community standards under conditions which may become increasingly complex.

Under the New Jersey plan, it is proposed that a community defense service council be appointed by the official local defense council. If there is no defense council, a defense service council may be organized by a committee representing various community service agencies.

Functions of these councils include liaison contact with military organizations, clearance on community enterprises to avoid duplication, promotion of special programs, particularly for protection of health and welfare, and other special services.

A recent report indicates that official defense councils have been set up in 114 New Jersey localities.

## Announcement by Mr. Knudsen that the steel industry will study the possibility of a gradual increase in over-all steel capacity

William S. Knudsen, Director General of the Office of Production Management, announced February 1 that he conferred with a committee representing the steel industry on the subject of steel capacity.

The committee informed the Office of Production Management that the steel industry is in the process of expanding its productive facilities, pointing out that total capacity increased from 81,619,000 tons of steel ingots annually in January 1940, to 84,152,000 tons by January 1941, an addition of more than 2,500,000 tons. Expansion of capacity during 1941 is expected to exceed that made during 1940.

#### Gradual increase

The industry will study the possibility of undertaking a gradual increase in over-all steel capacity as opposed to an immediate forced expansion and will appoint representatives of large and small companies to collaborate with the Office of Production Management in exploring this subject.

It was agreed that the report on steel capacity now being prepared for the President by Gano Dunn would be taken as the basis for this study.

The committee further informed the Office of Production Management that the industry is seeking to achieve full utilization of existing facilities and asked the Office of Production Management to cooperate to this end. In this connection it is considering the advisability of shifting orders where this will result in

an increase in the over-all amount of steel available.

#### Study of SWOC plan

The Office of Production Management has acknowledged receipt of the plan of the Steel Workers Organizing Committee and will study the extent to which it can contribute to the general problem of producing more steel at once.

The committee that conferred with the Office of Production Management is composed of Benjamin F. Fairless, president, United States Steel Corporation; E. G. Grace, president, Bethlehem Steel Corporation; E. L. Ryerson, chairman of the board, Inland Steel Co.; T. M. Girdler, chairman of the board, Republic Steel Corporation; and E. T. Weir, chairman of the board, National Steel Corporation.

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## Submitting of recommendations by an industry committee for ending the dangerous price situation in zinc scrap market

An industry committee has submitted recommendations for ending the present unstable and dangerous price situation in the zinc scrap and secondary zinc markets, Commissioner Leon Henderson of the Price Stabilization Division of the National Defense Advisory Commission announced January 30.

An announcement of measures to correct the situation will be made shortly, Commissioner Henderson said. He emphasized that the report merits careful analysis and will be given the fullest consideration by the Price Stabilization Division.

The committee, which represents zinc-scrap dealers and secondary smelters, was appointed by Harry Goldstein, president of the National Association of Waste Material Dealers.

Mr. Goldstein and Charles Haskins, secretary of the association, were present when members of the committee discussed the recommendations at length with officials of the Price Stabilization Division.

#### The Office of Production Management:

William S. Knudsen, director general; Sidney Hillman, associate director general; members: Secretary of War Henry L. Stimson and Secretary of the Navy Frank Knox. Within the Office of Production Management are the following and such other operating agencies as the President may from time to time determine: Division of Production, John D. Biggers, director; Division of Purchases, Donald M. Nelson, director; and Division of Priorities, Edward R. Stettinius, Jr., director.

# AGRICULTURE DIVISION . . .

## Mr. Davis' recommendations to America's farmers for the days ahead; "we have missed some important opportunities" in the first stages of the defense program

Stating that loss of world markets because of the war would force upon the United States drastic internal adjustments, Mr. Chester C. Davis, agriculture commissioner of the National Defense Advisory Commission, said in an address January 31 before the Illinois Agricultural Association in St. Louis that he is not in favor of giving up without a struggle the opportunity for American farmers to sell their produce abroad.

Mr. Davis pointed out that Great Britain, only remaining European country of any importance as a customer for United States agricultural goods, has now cut to one-half the proportion of such products it normally takes from this country.

He recommended that provision be made, either as a part of the pending lend-lease bill or by negotiations accompanying it, whereby the United Kingdom will take from the United States the normal proportion of agricultural commodities which we must export.

### "A world divided"

Speaking of the various possibilities which might result as an aftermath of the war, Mr. Davis stated:

"No matter what the outcome of the present struggle may be, let no one delude himself into thinking that the old order of man's affairs in this country will be restored unchanged.

"\* \* \* for example \* \* \* we may emerge in a world divided into systems of nations, each pursuing an economic policy shaped to its own needs or ambitions and disregarding those of the competing groups of nations; a world in which all international trade will be carried on under close central controls, and this means, in turn, that domestic business activity everywhere will be under more or less rigid Government direction."

Mr. Davis stated as his belief that it is possible to choose a program now and develop it in the future that will lessen

and, in part, avert the loss of agricultural markets. Such a program, he said, would include the following steps:

### Increase consumption

"(1) Press on to develop and discover plans to increase consumption of food and fiber at home, particularly by the underfed and poorly clothed millions who live here.

### Enlarge storage policy

"(2) Continue and enlarge if necessary the policy of storing food and fiber against enlarged domestic consumption in the future or the reopening of foreign shipments. Present loan and purchasing programs have prevented the full impact of these national stores from pressing down the price to the farmer. They must be pursued courageously and administered promptly. They should not be hampered by the formulae and habits of thought that governed us in a world at peace.

### Restore British buying

"(3) Provision should be made, either as a part of the pending lend-lease bill or by negotiations accompanying it, whereby the United Kingdom will take from the United States the normal proportion of agricultural commodities which she must import. That England has not done so in recent months is understandable in view of the pressure on the dollar exchange available as means of payment in this country.

"But pending legislation should relieve that. I would like to see provision made that will give American cotton and food the same status under the proposed plan as manufactured goods. And I don't see how it can possibly be to England's disadvantage, under the new arrangement, to insist that she buy from the United States in approximately the relative proportion she did before this war started.

"Up to 2 years ago the United Kingdom bought from an eighth to a tenth of her agricultural imports from this coun-

try. By the end of 1940 our British farm exports had dwindled to about one-twentieth. I am afraid that, if this continues, it will be increasingly hard to get those markets back. It isn't difficult for a people to change its taste in tobacco, or to learn to use another country's cotton.

### Plan to move quickly

"(4) Europe is going through a winter of starvation as miserable as the world has known since the Middle Ages. It is true that starvation is a weapon of war, and no one can blame the warring countries for making use of it. But civilization is not advanced by starvation in the long run.

"We need to plan now so that we can move swiftly when a way is found to make our surplus available to the starving millions who need it, when the time for reconstruction arrives. Perhaps that will be one way in which America can contribute to a better world order when wholesale insanity comes to an end.

### Revive purchasing power

"(5) No matter what the outcome of this struggle may be, it will be a long time, if ever, before uncontrolled world trade among individuals is possible.

"Nations will be compelled to direct and control international trade in the interest of their own economies. When that time comes, farmers must insist that the Government of the United States recognize the peculiar conditions of their industry.

"Some forms of exports are infinitely more important, dollar for dollar, than others. Years ago I said that, under conditions where dollar exchange to pay for exports from the United States is limited, sound national policy made it more profitable for us as a Nation to export cotton than automobiles. I mentioned automobiles merely as an illustration, and some of the manufacturers took sharp exception to it. I repeat that assertion now.

"The revived purchasing power throughout the South that would follow restored export outlets would mean an infinitely wider market for the automobile manufacturers right here at home than they would lose abroad if their exports were restricted in favor of cotton. That condition needs thinking about and acting upon and right now is not too soon to start it."

"I believe," said Mr. Davis, "this Nation should carry out the principle that no new defense industries would be located in areas where the heavy industries essential to defense are now concentrated when there was any possibility of placing them elsewhere. That is the only way in which new reservoirs of unemployed labor and resources can be tapped without uprooting families and shifting them thousands of miles into communities where ebbing of the armament effort will leave them stranded.

"The plans which had been made prior to the emergency for maximum war production were not based on such a principle. In carrying out the program we have made some progress toward decentralization but I have been far from satisfied.

### Regional concentration

"I am afraid that, in the defense effort up to date, we have followed the same pattern of regional concentration that was followed in 1917 and 1918. At that time we handicapped our effort by shortages of labor and transport and left an aftermath of overbuilt and overconcentrated industry.

"I am not trying to lay blame for this at anybody's door. Most men in the War Department agree that the principle of decentralization is right, but for 20 years the business of this Nation has been peace and not war. No one in authority figured out how the job was to be done. Industrial management has thought largely in terms of doing the new business of war production on the old stand. If there had been forethought and planning, I believe we could have avoided the mistakes we are making.

### "Missed opportunities"

"So in the first stages of the defense program I must frankly say we have missed some important opportunities. I had hoped that we might use much of the surplus manpower or ineffectively employed manpower of agriculture near at home—that we might avoid moving these folks across the country to supplement the labor supply which, in some of the large urban centers, is already running short.

"In a sense, during the year ahead the defense program will enter its second phase. It began during a period of depression—at a time when factories were running at partial capacity and when many workers, both skilled and unskilled, were out of work.

"The first effect of the new defense orders was to take up slack.

"Now this period of taking up the slack is drawing to a close in many areas. The steel industry, the aluminum industry, many branches of the chemical industry are running at capacity. The demand for labor is becoming more acute. In many branches of industry we are entering upon the period when capacity must be expanded and where, until this new expansion comes into production, shortages may be expected to appear.

### "Serious problems"

"During this second phase of the program, we shall see some serious problems for agriculture.

"Sometimes, when I am feeling very pessimistic, I find myself painting a rather black picture. I see industrial management using the defense program as a device for recouping the losses of the lean years. I see it asking prices and obtaining margins of profit which enables it to set aside a kitty for the lean years that may be ahead. I see labor, pressed by higher living costs, eyeing those increased profits. I see some organized labor groups exploiting the sudden increase in the demand for special skills or trades. I see the farmer, the white-collar worker, professional groups, and the small businessman who is not participating in the defense program, being squeezed in the process.

"I hope that it may never come to pass but I think we can only prevent it by a clear-cut, vigorous policy, well fortified by action. Profits on defense orders must be kept to fair and moderate proportions. Any undue gains which appear must be recaptured by thoroughgoing excess profits taxation. No one is privileged to get rich as a result of this armament effort.

We must make every effort to expand industrial capacity by the time it is needed so as to keep shortages to a minimum, for every shortage is a temptation to higher prices. Labor must not take undue advantage of any increase in its bargaining position. All unjustifiable price and wage increases must be vigorously curbed.

### The fighting front

"All of this is a rather large order. But it is the front on which farmers must fight if they are not to become the victims of the sort of squeeze which I have just described.

"In the months ahead we are going

to build up an organization to keep careful watch on shortages of materials and labor as these affect agriculture. Military demands will have to take priority over agricultural requirements—farmers may have to make adjustments in the kinds of fertilizer they use and sometime there may be some shortages in certain types of farm equipment. I do not worry so much about this.

"But there is a right way and a wrong way of handling such matters so far as the farmer is concerned. I hope we will be able to see that these matters are handled equitably for the farm producer and with a minimum of inconvenience. Above all, I hope we will be able to prevent profiteering from any shortages there may be in farm requirements.

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## Recommendations for adjustments in the agriculture of certain sections of the United States—made necessary by the war

The January issue of *Agricultural Situation*, a Bureau of Agriculture Economics bulletin, contains recommendations for adjustments in the agriculture of the South, the West, the Corn Belt, and the northern dairy region—made necessary by the European War.

"Adjustments by farmers are bound to be widespread, for all major commodities will be affected to some extent," the publication says.

"A shift from cotton and tobacco to milk, fruits, and vegetables in the South would make available a much better food income to the undernourished in that region.

"A shift from wheat to livestock on the Plains would probably not lower our cereal intake, but add to our meat items and help conserve the soil.

"Shifts in the Corn Belt to lean meats, milk, and wool would also meet needs of our conservation work and our national food and fiber budget."

"Direct assistance," the publication says, "may be required temporarily to assist farmers who shift from cotton, tobacco, wheat, or corn. These shifts will mean increases in dairy and poultry products, meats and wool, fruits and vegetables, and timber products.

"The long-time advantage to farm and nonfarm families of these shifts will be evidenced in better living."

## Organization of remaining three administrative groups of the Priorities Division and establishment of four advisory committees

Organization of the remaining three administrative groups of the Division of Priorities and establishment of four new advisory priority committees was announced February 1 by E. R. Stettinius, Jr., director of the Division.

The three groups to which key personnel have just been appointed are: Chemicals; Tools and Equipment; and General Products.

This completes the organization of the five administrative groups of the Division, previous announcements having been made of the Minerals and Metals, and Commercial Aircraft groups.

Advisory priority committees announced are for aluminum and magnesium; nonferrous metals and minerals; chemicals; and machine tools.

Appointment of advisory priority committees for steel and for commercial aircraft has already been announced.

### Advisory capacity

These committees and others to be appointed from time to time will serve in an advisory capacity to the various group executives, assisting them in development of factual information and formulation of policies. Actual decisions, however, will be made by the group executives.

Mr. Stettinius pointed out that the establishment of machinery for handling priorities in specific fields does not necessarily mean that formal priorities will be established immediately on the products involved. To the contrary, timely preparation of administrative mechanisms to meet problems before they become acute may make it possible to postpone or even avoid institution of formal priorities.

### Chemicals

Priority executive for chemicals will be Dr. Harrison E. Howe, editor for the past 20 years of *Industrial and Engineering Chemistry*. Dr. Howe is a graduate of the University of Michigan and holds a doctor's degree from the University of Rochester.

After 15 years' experience in private industry he became chairman of the Division of Research Extension of the National Research Council. For a number of years he has served as consulting chemist to the Nitrate Division of the

Ordnance Bureau of the United States Army.

He is a member of the American Chemical Society, American Institute of Chemical Engineers, and the American Engineering Council and is the author of a number of books.

### Tools and equipment

Dexter S. Kimball, retired dean of engineering of Cornell University, has been appointed tools and equipment priority executive. During the last war, Dean Kimball was director of the Training School for Army Mechanics and has been a member of the board of visitors of the United States Naval Academy.

He is a past president of the American Society of Mechanical Engineers, of the Federated American Engineering Societies, the American Engineering Council, and the Society for Promotion of Engineering Education.

He has written a number of scientific textbooks and lectured at Princeton University and the Stanford Graduate School of Industrial Organization. He was dean of the College of Engineering at Cornell from 1920 to 1936.

### General products

William E. Wickenden, president of the Case School of Applied Science since 1929, has been appointed general products priority executive. Dr. Wickenden is a graduate of the University of Wisconsin and has received degrees from Worcester Polytechnic Institute and the Case School of Applied Science.

He taught at the University of Wisconsin and later was professor of electrical engineering at Massachusetts Institute of Technology. After 5 years in private industry he became director of investigation for the Society for Promotion of Engineering.

He is the author of a number of books, a member of the American Institute of Electrical Engineers, the American Society of Mechanical Engineers, and of Phi Beta Kappa.

### Committee members

Executives of the administrative priorities groups also serve as chairmen of the advisory priorities committees set up under their groups. Therefore, Dr. Ernest M. Hopkins, minerals and metals, priority executive, will be chairman of

both the Aluminum and Magnesium Priority Committee and the Non-Ferrous Metals and Minerals Priority Committee.

Members of the Aluminum and Magnesium Committee are: Eugene J. Barney, of the Frigidaire Division, General Motors Sales Corporation, representing the industrial consumers; Col. A. J. Lyon, representing the Army; and Lt. Comdr. D. N. Logan, representing the Navy.

Members of the Non-Ferrous Metals and Minerals Committee are: Irving Cornell, vice-president, St. Joseph Lead Co., representing the producers; H. L. Erlicher, vice-president in charge of purchases, General Electric Corporation, representing the industrial consumers; Col. W. R. Slaughter, representing the Army, and Comdr. W. H. Von Dreels, representing the Navy.

Dr. Howe, as chemicals priority executive, will be chairman of the Chemicals Priority Committee.

Members will be Warren Watson, executive secretary of the Manufacturing Chemists Association, representing the producers; Everet T. Trigg, president, John Lucas & Co., representing the industrial consumers; Maj. C. B. Morgan, representing the Army, and Lt. N. S. Prime, representing the Navy.

Dr. Kimball will be chairman of the Machine Tool Priority Committee and members will be Frederick V. Geier, president, Cincinnati Milling & Machine Co., representing the producers; Col. T. J. Hayes, representing the Army, and Capt. E. C. Almy, representing the Navy.

Mr. Stettinius also announced the appointment of Dr. W. S. A. Pott, president of Elmira College, as Secretary to the Priorities Division. Dr. Pott is a graduate of the University of Virginia and received a graduate degree from Columbia University.

For 10 years he taught philosophy at the University of Virginia and later was connected with the General Motors Export Co. and General Motors Corporation. He became president of Elmira College in 1935.

At the same time, announcement is made of the appointment of Dr. S. S. Stratton as general assistant executive to Dr. Hopkins, Minerals and Metals Priority Executive.

Dr. Stratton is on leave from Harvard University Graduate School of Business Administration, where he is associate professor of economics.

He was graduated from Dartmouth College, was connected with the steel industry for 5 years; and is the author of the book "The Economics of The Steel Industry in The United States."



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## Report by Mr. Hillman on time lost because of strikes during 1940; less than two hours per worker

Of the total working time for the entire year 1940, less than 2 hours per worker were lost because of strikes. This is less than one-quarter of the loss due to industrial accidents, Sidney Hillman, Associate Director General of the Office of Production Management, said February 7 in making public the results of a special study on the current status of industrial relations.

The study had been made at his request by the Bureau of Labor Statistics of the Department of Labor.

"This figure shows beyond question that, generally, harmony prevails in employer-employee relations," Mr. Hillman declared.

### 300 threatened disputes

Out of approximately 300 threatened disputes arising since the beginning of the defense program, in which experts of the Conciliation Service and the Labor Division of the National Defense Advisory Commission intervened, only a handful resulted in appreciable stoppages, and these were of short duration.

The Bureau of Labor Statistics study shows, Mr. Hillman added, that the first half-year of the defense program witnessed a drop of nearly 50 percent in man-days idle due to strikes, over the corresponding months of the previous years.

"This is truly a remarkable record," he said. "It is all the more remarkable in view of the fact that the period has been one of vastly quickened industrial activity accompanied by a tremendous expansion of employment and an increase in the stresses and strains which always go with adjustments to new personnel.

"Industrial history shows that periods of industrial expansion are marked by

an increase rather than a decrease in the number of strikes."

### Average loss

These studies by the Bureau of Labor Statistics show, he said:

(1) Work stoppages due to strikes in American industry during the year of 1940 accounted for an average loss of less than a quarter of a day per year per worker.

(2) This figure is put in perspective when compared with the time lost through industrial accidents. On-the-job accidents accounted for an average idleness of more than 1 day per worker, or upwards of four times that due to strikes. And the figure for accidents does not include the tremendous loss resulting from more than 11,000 deaths.

(3) The number of man-days idle due to strikes was only half as great during the first 6 months of the defense program as in the corresponding period for 1939.

### 47 percent less

(4) The number of men involved in strikes was 47 percent less during the first 6 months of the defense program than when the United States was actually at war 24 years ago. This is all the more significant when it is realized that total nonagricultural employment is 22 percent greater today than in 1917.

"Chief credit for this remarkable record," said Mr. Hillman, "should go to the patriotism of organized labor and to that vast majority of responsible industrialists who have accepted the orderly processes of collective bargaining."

We had to face our last great task of rearmament twenty-odd years ago, he pointed out, without the help of collec-

(Continued on page 13)

# DEFENSE

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RALPH BUDD, *Transportation.*

CHESTER DAVIS, *Agriculture.*

HARRIET ELLIOTT, *Consumer Protection.*

LEON HENDERSON, *Price Stabilization.*

SIDNEY HILLMAN, *Labor.*

WILLIAM S. KNUDSEN, *Industrial Production.*

EDWARD R. STETTINIUS, *Industrial Materials.*

FRANK BANE, *State and Local Cooperation.*

ROBERT W. HORTON, *Information.*

STACY MAY, *Research and Statistics.*

PAUL V. McNUTT, *Coordinator of Health, Welfare and Related Defense Activities.*

WILLIAM H. McREYNOLDS, *Secretary of the Commission.*

NELSON ROCKEFELLER, *Coordinator of Commercial and Cultural Relations Between the American Republics.*

## Deferment for certain reservists of the Regular Army

Members of the Regular Army Reserve who are at present candidates for a degree at any college or university will be deferred from active duty until the end of this academic year. Provided the reservists apply for such deferment, they will be ordered to active duty on July 1, 1941, instead of on February 15, 1941, as now contemplated. Members of the Officers' Reserve Corps and enlisted reservists are included.

## Statement that the Office of Production Management considers the Santee-Cooper hydroelectric power project necessary to defense, thus making it possible for priority ratings to be issued

The Office of Production Management has informed the Federal Works Agency that it considers the Santee-Cooper hydroelectric power project in South Carolina to be a "necessity to the national defense," it was announced February 4.

In a letter to John M. Carmody, Administrator of the Federal Works Agency, Director General William S. Knudsen urged him to "use every effort to have the Santee-Cooper project completed at the earliest possible date."

The Santee-Cooper project, near Charleston, S. C., is being constructed by the South Carolina Public Service Authority with Federal Public Works Administration funds. Construction has reached the halfway mark and it is due for completion late this year. It will have a rated capacity of 133,000 kilowatts of electric power and is being built at a cost of \$45,000,000.

### Possibility of priorities

Determination by the Office of Production Management that the project is a "necessity to the national defense" will make it possible for priority ratings to be issued where necessary for machinery or supplies needed for completion of the project.

Text of the letter:

Mr. JOHN M. CARMODY, *Administrator, Federal Works Agency, Washington, D. C.*

DEAR SIR: We are advised that active negotiations are in progress for the sale of 30,000 kilowatts of electric power by the Santee-Cooper hydroelectric project upon its completion to the Aluminum Co. of America.

The Commonwealth & Southern System is also desirous of taking on to its lines from the Santee-Cooper project 50,000 kilowatts of power for serving national defense projects that are now, or are about to come on to their lines.

We are advised that the Santee-Cooper project is negotiating also with a Pittsburgh concern for the sale of part of its power for the production of ferro alloys at Charleston, S. C. All of these represent materials needed in the national defense program.

In view of the foregoing, and of the desire to expedite as much as possible the production of an additional supply of aluminum, and other defense needs, I wish to advise you that the Office of Production Management considers the Santee-Cooper hydroelectric project to be a necessity to the national defense.

We trust you will use every effort to have the Santee-Cooper project completed at the earliest feasible date.

Yours very truly,

WILLIAM S. KNUDSEN,  
*Director General.*



## Appointment of Ralph E. Flanders as group administrator of tools and equipment section of the Division of Priorities

Ralph E. Flanders, president of the Jones & Lamson Machine Co., Springfield, Vt., has been appointed group administrator of the tools and equipment section of the Division of Priorities, E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management, announced February 6.

As administrator of the tools and equipment group, he will work in close cooperation with D. S. Kimball, tools and equipment priority executive, who is in charge of all operations of this section. Dr. Kimball was formerly dean of engineering of Cornell University.

Mr. Flanders has had broad experience in the machine-tools field. He was a member of the Industrial Advisory Board of NRA. He is a member of the corporation of the Massachusetts Institute of Technology, a past president of the American Society of Mechanical Engineers, and the author of a number of books.

It was also announced that W. E. Wickenden, president of the Case School of Applied Science, Cleveland, arrived in Washington, February 10, to take up his duties as general products priority executive.

## 51 corporations to which Certificates of Necessity for plant expansion were issued from January 16 through January 31

Certificates of Necessity for plant expansion under the national defense program were issued to 51 corporations from January 16 through January 31, the National Defense Advisory Commission has announced.

The approximate cost of facilities represented was estimated at \$71,864,000.

This compares with 67 corporations which received certificates during the first half of January, and covered facilities the estimated cost of which was more than \$120,188,000. The average per certificate was \$1,793,851 in the first period compared with \$1,409,098 in the second.

### Income-tax amortization

These certificates are issued to permit manufacturers to take advantage of the special 60-month income tax amortization of plant cost provided for under section 124 of the Internal Revenue Code. All estimates are subject to audit by the Commissioner of Internal Revenue for determination of the proper cost, or other basis, of amortization.

Twenty of the certificates cover proposed factories for the manufacture of machine tools.

The largest item is a certificate covering an operation of the Ford Motor Co., Dearborn, Mich., for construction of a \$23,212,000 plant to manufacture aircraft engines and parts.

### List of manufacturers

The list of manufacturers who received certificates during the period follows:

Charles G. Allen Co., Barre Mass.; machine tools; \$66,000.

American Steel Foundries, Chicago, Ill.; tank components; \$832,000.

The Avey Drilling Machine Co., Covington, Ky.; machine tools; \$23,000.

The Babcock & Wilcox Co., New York, N. Y.; boiler parts; \$1,573,000.

Bardons & Oliver, Inc., Cleveland, Ohio; turret lathes; \$155,000.

Baush Machine Tool Co., Springfield, Mass.; machine tools; \$46,000.

Bethlehem Steel Co., Bethlehem, Pa.; steel products, coke, ammunition components, armor plate, naval vessels, forgings, etc.; \$18,404,000.

Cincinnati, Bickford Tool Co., Cincinnati, Ohio; machine tools; \$459,000.

Clearing Machine Corporation, Chicago, Ill.; metal-working machinery; \$257,000.

Cramerton Mills, Inc., Cramerton, N. Dak.; uniform cloth; \$283,000.

Dallas Cotton Mills Co., Dallas, Tex., yarn; \$32,000.

Danly Machine Specialties, Inc., Cicero, Ill.; gun components; \$1,154,000.

Defiance Machine Works, Inc., Defiance, Ohio; boring, milling and drilling machines; \$112,000.

Ducommun Metals & Supply Co., Los Angeles, Calif.; aircraft parts; \$450,000.

East Dayton Tool & Die Co., Dayton, Ohio; machine tools; \$37,000.

Elastic Stop Nut Corporation, Union, N. J.; elastic stop nuts; \$962,000.

Fairfield Manufacturing Co., Lafayette, Ind.; gears, parts for gun mounts; \$193,000.

Ferracute Machine Co., Bridgeton, N. J.; ordnance machinery; \$55,000.

Ford Motor Co., Dearborn, Mich.; aircraft engines and parts; \$23,212,000.

Gallmeyer & Livingston Co., Grand Rapids, Mich.; machine tools; \$107,000.

Goddard & Goddard Co., Inc., Detroit, Mich.; machine tools; \$60,000.

Goodyear Aircraft Corporation, Akron, Ohio; nonrigid airships; \$64,000.

The G. A. Gray Co., Cincinnati, Ohio; machine tools; \$120,000.

The Hanson-Whitney Machine Co., Hartford, Conn.; machine tools; \$91,000.

Hercules Powder Co., Wilmington, Del.; smokeless powder; \$1,151,000.

Jackson Iron & Steel Co., Jackson, Ohio; pig iron and manganese; \$352,000.

Jacobs Mfg. Co., Hartford, Conn.; machine tool parts; \$397,000.

Kaukauna Machine Corporation, Kaukauna, Wis.; machine tools; \$290,000.

The Kendall Co., Chicago, Ill.; kits; first aid; \$8,000.

Lear Avia, Inc., Dayton, Ohio; remote-control devices for airplanes and fields; \$335,000.

The R. K. LeBond Machine Tool Co., Norwood, Ohio; machine tools, lathes, grinders, etc.; \$770,000.

Michigan Steel Casting Co., Detroit, Mich.; steel castings; \$29,000.

Michigan Tool Co., Detroit, Mich.; motor parts; \$275,000.

Micromatic Hone Corporation, Detroit, Mich.; machine tools; \$123,000.

National Forge & Ordnance Co., Irvine, Pa.; forgings for ships and airplane shafts; \$1,036,000.

New Britain Machine Co., New Britain, Conn.; aircraft engine parts; \$409,000.

New Jersey Zinc Co., New York, N. Y.; slab zinc; \$1,258,000.

Niles-Bement-Pond Co., West Hartford, Conn.; machine tools; \$1,883,000.

The Producto Machine Co., Bridgeport, Conn.; machine tools and accessories; \$32,000.

Reynolds Metals Co., Richmond, Va., aluminum; \$7,453,000.

Standard Steel Specialty Co., Beaver Falls, Pa.; machine tools; \$100,000.

Standard Tool Manufacturing Co., Arlington, N. J.; machine tools; \$235,000.

The L. S. Starrett Co., Athol, Mass.; measuring instruments; \$163,000.

Sterling Foundry Co., Wellington, Ohio; machine tool castings; \$189,000.

U. S. Tool Co., Inc., East Orange, N. J.; machine tools; \$26,000.

United States Vanadium Corporation, New York, N. Y.; tungsten ore concentrates; \$1,613,000.

Universal Boring Machine Co., Hudson, Mass.; universal boring machines; \$91,000.

Van Norman Machine Tool Co., Springfield, Mass.; milling machines and grinders; \$401,000.

Watson-Flagg Machine Co., Paterson, N. J.; gears; \$147,000.

Western Cartridge Co., East Alton, Ill.; brass; \$4,173,000.

White Motor Co., Cleveland, Ohio; armored trucks; \$178,000.

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## Two general recommendations to relieve a tight situation in the production and industrial utilization of zinc

Steps designed to relieve a tight situation in the production and industrial utilization of zinc have been inaugurated by the Minerals and Metals Priority Section of the Priorities Division, E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management, announced February 8.

The Non-ferrous Metals and Minerals Priority Committee, an advisory body to Dr. E. M. Hopkins, Minerals and Metals Priority Executive, has formulated two general recommendations.

These are:

1. That an effort be made at once through the cooperation of zinc producers to facilitate the prompt flow of zinc into brass used for the manufacture of cartridges.

2. That industrial users of zinc, producing items not in the vital defense sphere, be urged to cooperate voluntarily, and economize on the use of this metal.

### Major problem

The shortage of zinc used in cartridge brass has become a major problem during the past few weeks, it was explained, and it is desirable to see that deliveries of the metal to cartridge makers are arranged for promptly.

It is felt that the producers themselves may be able to help greatly in this situation by some rearrangement of orders. In connection with the need to economize on zinc uses in nondefense production, it is pointed out that certain industries through their trade associations have already launched investigations to learn how and to what extent other metals may be used as substitutes on a temporary basis.

Such an investigation has been started by leaders in the automobile industry. It is believed that sufficient zinc may be freed for defense purposes, and substantial economies can be made by nondefense users, so that the situation will be relieved and the imposition of formal priorities in zinc can be avoided for the time being.

## Outline by Mr. Rockefeller of two projects for increasing trade of the Americas

Addressing the New York City League of Women Voters, February 8, Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, outlined two new projects for increasing trade and strengthening the economic defense of the Americas.

The projects are:

1. Creation of a Merchandising Advisory Service to be operated by the Inter-American Development Commission for the benefit of the producers and exporters of the other American Republics.

2. Inauguration of a series of merchandising studies in Central and South America to provide information about the needs, tastes, and habits of living of our neighbors.

The first project is a new undertaking for the Inter-American Development Commission. This Commission is now in process of establishing in each Central and South American Capital representative councils of leading business, financial, and technical men. These councils will advise the Commission and will supervise the execution of developmental projects.

### New York headquarters

The Commission will create a Merchandising Advisory Service with headquarters in New York, which will be staffed to provide the necessary assistance to exporters from the neighboring Republics. The advice and recommendations will be carried back to the producing countries through the local country units of the Development Commission.

In the United States closer relations will be promoted between exporters of the other Republics and such organizations as our National Retail Dry Goods Association, grocery, pharmaceutical, and other trade groups. Mr. Rockefeller expressed confidence that this service will help to broaden the United States market for products from these nations and cause the introduction of items with which the consumer market in the United States is not now familiar.

### Market studies

In addition, an invitation has been issued to the American Association of Advertising Agencies to undertake through its Export Service Bureau a series of extensive studies of markets and advertising media in each of the neighboring

republics. Mr. Rockefeller announced. The results of these studies are to be made available to all American exporters and advertisers through the Association and through the Department of Commerce.

It should be recognized that American exporters spend millions of dollars each year through various advertising media—newspapers, radio, magazines, store displays, motion pictures—designed to promote sale of consumer goods in Central and South America. Mr. Rockefeller pointed out.

Many exporters feel that their advertising budgets in these countries would undoubtedly be increased if there were available greater information on the needs, tastes, and habits of living of the citizens of our neighboring republics, he said. The Bureau plans to train nationals of the various countries in the research techniques employed in gathering information so that in the near future nationals will carry on the study.

### Language barrier

Mr. Rockefeller said that it is hoped the projects can be extended to render service to each of the Republics in its dealings with all of the others. Such an extension is called for by studies which reveal that there is not now available in any one of the American Republics a sufficient amount of information concerning the markets of the others.

He called upon the League of Women Voters to assist in overcoming the barrier of language in the Western Hemisphere by supporting efforts to introduce additional courses in United States schools for the teaching of Spanish and Portuguese; by increased travel to the countries south of the Rio Grande; by promotion of lecture and study courses; and by encouragement of creative American work in art, music, and literature.

Reemphasizing that the task of fulfilling a good neighbor obligation is more than an emergency undertaking, Mr. Rockefeller said: "The task is one not only for our generation, but for generations to come. The problem will never be solved by diplomatic pronouncements or unilateral action. It requires that the peoples of the Western Hemisphere know one another. Through knowledge will come sympathetic understanding, and understanding will bring trust and mu-

tual respect. Only in this way can we approach the time when all the people of the Americas may in a common prosperity develop and defend the freedom and dignity of man."

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## Creation of a Committee for Coordination of Inter-American Shipping

With a view to assuring adequate tonnage for continued movement of inter-American products, there has been created, with the approval of the President, a Committee for Coordination of inter-American Shipping, composed of James V. Forrestal, Under Secretary of the Navy, Rear Admiral Emory S. Land, Chairman of the Maritime Commission, and Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics.

The Committee will seek to coordinate the shipping requirements of the Central and South American trades with the supply of vessel tonnage under the jurisdiction of the Maritime Commission and with the needs of the military branches of the Government.

### Adequate through 1941

The Committee proposes, through co-operation with the shipping companies, to plan use of available tonnage in an effort to insure adequate transportation for cargoes to be moved in both directions during 1941.

Estimates of the Maritime Commission indicate that adequate shipping will be available to handle the requirements of inter-American trade in 1941 if the vessels now operating are retained in this service and with the addition of certain vessels now intended for the trade. The Maritime Commission estimates that at present there are approximately 119 vessels regularly serving the east and west coasts of South America.

### 54 U. S. ships

Fifty-four of these fly the flag of the United States, 22 are of Norwegian ownership, and the balance are operated under other flags, including those of Central and South America.

In establishing this Committee, the Government does so with the recognition that the uninterrupted flow of commerce between the United States and Central and South American Nations is directly related to the national defense program and to the economic welfare of the American Republics.

## Savings in time, money, and space through packaging of the Army's clothing in cardboard and fiber boxes; high lumber prices led to change in specifications

High lumber prices have led the Quartermaster Corps to change specifications for packaging clothing and other equipment now being bought for the Army.

The changes will substitute corrugated cardboard and solid-fiber boxes for the wooden containers previously used on Army shipments of shirts, work clothing, socks, underwear, mosquito bars, field caps, and gloves.

It is probable that similar changes will be ordered for other types of clothing later.

They were ordered by Brigadier General C. L. Corbin, Assistant Quartermaster General of the Army, so that substantial savings in money, time, and storage space may be made. His orders were issued after a thorough study of the situation had been made by officers of the Quartermaster Corps working in conjunction with civilian experts from the Division of Purchases of the Office of Production Management.

This study indicated that the shift to corrugated and fiber containers would save 8½ percent in Army warehouse space; that substantial savings in weight on bulk train shipments would result, and that cash savings due to the lower prices of the new containers would be substantial.

Among the cash savings forecast, for example, were a saving of 8 cents on each blanket purchased, and a saving of \$57,750 on a shipment of a million Army overcoats.

The study also showed that only 22 percent of the potential corrugated and fiber-box manufacturing capacity of the country is being used today, indicating that ample supplies of the containers could be obtained without delay.

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## SHIP CONSTRUCTION

President Roosevelt last week signed emergency legislation authorizing the Navy to spend \$909,000,000 to build 400 auxiliary vessels and to expand shipyard, gun, and armor production facilities.

The President also signed a \$313,500,000 appropriation bill to finance the immediate construction of 200 cargo ships.

## Release of a part of the Government-held tungsten stock pile to relieve temporary stringency in the spot supply

Release of part of the Government-held stock pile of tungsten will relieve a temporary stringency in spot supply of this metal and will assure adequate future deliveries to industry, it was announced February 8 by W. A. Harriman, Chief of the Materials Branch, Division of Production, Office of Production Management.

Authority to sell Government stocks to industry was granted to the Procurement Division of the Treasury Department under an Executive order signed February 4. The order authorizes the Procurement Division to sell or otherwise dispose of its tungsten stocks for defense production "to such buyers or users and in such amounts as may be requested from time to time by the Office of Production Management."

### Temporary situation

A temporarily tight situation developed in the available supply of tungsten as a result of the closing of the Burma Road last fall. Reopening of the road again makes Chinese tungsten available to this country and large quantities are

afforded to the United States from the Far East.

Applications from industrial users for purchase of Government stocks of this ore will be made to the Procurement Division and granted upon approval of the Office of Production Management. Sale price will be the same as the cost of acquisition to the Government.

### Only part needed

It is expected that only part of the Government stock need be released to assure supplies for refiners until such time as new imports are available. Release of stocks held by the Procurement Division also will minimize the possibility of price fluctuations in tungsten which might have resulted if this ore had not been made available to industry.

Tungsten, an element required to give alloy steels high tension characteristics, is important to defense production. It is particularly in demand for use in high-speed tool steel. The United States is the second largest producer of tungsten in the world but normally imports about 50 percent more than it produces.

## Compilation of defense contracts cleared and awarded, January 30 through February 5

The following is a compilation of contracts cleared and awarded during the period January 30 to February 5, inclusive. These contracts were cleared by the National Defense Advisory Commission and awarded by the War and Navy Departments in the approximate amount of \$21,204,000.

Contracts of \$500,000 or more are cleared by the Production Division of the National Defense Advisory Commission.

### ORDNANCE

American Brass Co., small arms ammunition components; Waterbury, Conn., \$676,850.40.

Chase Brass & Copper Co., Inc., small arms ammunition components; Waterbury, Conn., \$547,018.

Revere Brass & Copper Co., brass; Baltimore, Md., \$789,770.

### NAVY

General Machinery Ordnance Corporation; rehabilitation and equipment of certain parts

of the United States Naval Ordnance Plant, South Charleston, W. Va. for machining of ordnance equipment; \$1,645,000.

Norris Stamping & Mfg. Co., boxes, ammunition; Los Angeles, Calif. \$664,240

### EQUIPMENT AND SUPPLIES

#### WAR DEPARTMENT

Diamond T. Motor Car Co., trucks, 4-ton; Washington, D. C., \$737,184

Fraeuhoff Trailer Co., trailers; Kansas City, Mo., \$4,465,040.

General Motors Corporation, Chevrolet division trucks, 1½-ton; Washington, D. C.; \$8,296,493.59.

#### WAR DEPARTMENT

Goodyear Tire & Rubber Co., wheel and brake assemblies; Akron, Ohio; \$923,504.

Lavine Gear Co., trailers, 1-ton; Milwaukee, Wis., \$703,500.

Lights, Inc. & Fritz Ziebarth, field lighting sets; Alhambra, Calif., \$613,605.

#### NAVY

General Cable Corporation, cable, electric; Washington, D. C., \$338,521

Snow Shipyards, Inc., sweepers, mine, coastal; Rockland, Maine, \$604,000.

## Discussion at two meetings of the problem of hoarding scrap aluminum; statement by Mr. Bishop that secondary aluminum is now selling for more than virgin ingot

Broad problems concerning production and utilization of aluminum, in defense and commercial spheres, have been taken up by the Aluminum and Magnesium Priority Committee, E. R. Stettinius, Jr., Director of Priorities, Office of Production Management, announced February 4.

A meeting of the committee, an advisory body to E. M. Hopkins, minerals and metals priority executive, has been held.

One problem to which immediate attention has been directed is the difficulty caused by the hoarding of scrap aluminum, either for speculation or for inventory purposes. Because of its effect on prices, the hoarding of scrap has already been condemned by executives of the Price Stabilization Division of the National Defense Advisory Commission.

### Discussion of plastics

The extent to which plastics might take the place of aluminum in some manufacturing processes was discussed. Closely allied to this is the question of making as much aluminum as possible available to ordinary, civilian commercial users.

Other questions which the advisory committee took up included the needs of the armed forces of this country and Great Britain, the requirements of those concerns which are producing items indirectly intended for defense purposes, and the possibility of using differing grades of the metal in some nondefense manufacturing processes.

### Artificial scarcity

One reason for development of what appears to be a temporary tight situation in aluminum is the artificial scarcity caused by the hoarding of scrap. This means that scrap is actually more plentiful than would appear, but that it is being withheld from the market.

The Aluminum and Magnesium Priority Committee, which has taken up these problems in an effort to work out a solution, is purely an advisory body to the Minerals and Metals section of the Priorities Division. Dr. Hopkins, as priority executive for this division, is also chairman of the advisory group.

### Anomalous situation

Hoarding of scrap and secondary aluminum was condemned by C. A.

Bishop, member of the Price Stabilization Division.

Such hoarding, Mr. Bishop stated, already has led to an anomalous situation in which secondary aluminum is selling for more than virgin ingot, which is currently priced at 17 cents a pound. Unless this situation is rectified, drastic action will be necessary to prevent an upward price spiral.

This matter was discussed at a meeting February 4 between officials of the Price Stabilization Division and representatives of smelters of secondary aluminum and large consumers of aluminum scrap and ingot.

According to available figures there is sufficient scrap aluminum to satisfy needs of the next few months, but two groups have accumulated very substantial quantities of scrap metal. One group consists of manufacturers who, instead of selling scrap, hold it with the intention of having it reprocessed for their own consumption if aluminum becomes scarce. The other group consists of those holding it for speculative profit only.

"Those in the latter group are doing a distinct disservice to the defense program and for a motive that is not to their credit," Mr. Bishop stated. "The former group," he added "is doing an equal disservice but with a motive which may not be criticized to the same degree."

### Buying more than needs

According to reports reaching the Price Stabilization Division certain consumers also are buying more than their current needs of scrap aluminum in order to accumulate surplus inventories. Practices such as hoarding and excess inventory accumulation tend to create artificial shortages and price rises—the exact situation that the Price Stabilization Division is seeking to avoid.

The policy of the Price Stabilization Division is to defer drastic measures in all such cases until it has been demonstrated that no other method will be effective, Mr. Bishop stated.

He pointed out, however, that legislation already in effect authorizes the President, by Executive order, to requi-

sition and dispose of all available supplies of aluminum and aluminum scrap. Such action would seriously disturb the normal operation of industry, a result which the Price Stabilization Division desires to avoid.

Officials of the division, Mr. Bishop stated, are convinced that if supplies now being hoarded are made available to the market and if the prices of scrap and secondary aluminum come down promptly, such action can be averted. If these results do not ensue, however, the Price Stabilization Division is prepared to recommend necessary action to insure reasonable prices for scrap and secondary aluminum.

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## Announcement by the Administrator of Export Control of the opening of a New York City office

Col. Russell L. Maxwell, Administrator of Export Control, announced on February 5 the opening of a New York office, under the supervision of Lt. Comdr. Karl E. Hintze, United States Navy, Assistant Administrator.

Located at 602 Federal Office Building, New York, this office will serve as a source of information and aid to manufacturers and exporters in the New York area, and it will also collect and transmit pertinent information to Colonel Maxwell.

Colonel Maxwell, in announcing the opening of this office, stressed the point that applications for export licenses will continue to be filed with the Division of Controls, Department of State, Washington, D. C.

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## Purchase by the Metals Reserve Co. of 100,000 more tons of Latin-American copper

Federal Loan Administrator Jesse Jones announces that the Metals Reserve Co. has purchased 100,000 more tons of Latin American copper for \$19,130,000.

The new commitments increase total purchases of Latin-American copper by the Metals Reserve Co. to 200,000 tons.

Deliveries are expected to begin in March, at a rate of approximately 25,000 tons per month.



## Transfer and expansion of the Office of Small Business Activities—to be known as Defense Contract Service

The Office of Production Management announced on February 3 the transfer and expansion of the Office of Small Business Activities and addition of personnel to its 36 field offices.

This unit will be known hereafter as Defense Contract Service.

For administrative purposes the Office of Small Business Activities is being transferred from the Division of Purchases to the Division of Production, with the approval of the Office of Production Management.

The Defense Contract Service will be headed by Robert L. Mehornay. For the past 3 months he has been directing the Office of Small Business Activities under Donald M. Nelson, who is now Director of the Division of Purchases.

Mr. Mehornay is on leave from his position as president of the North-Mehornay Companies of Kansas City, Mo.

### Federal Reserve nucleus

The Federal Reserve System, under the direction of Gov. Ernest G. Draper, member of the Board of Governors, will provide the nucleus of personnel for regional offices. Senior officers in each of the 12 Federal Reserve banks and their 24 branches have been serving as field agents for the Office of Small Business Activities and will continue this function under the new organization.

These field offices will be expanded and adequately staffed with business, financial, contract, and engineering experts to provide decentralized advisory services to all business enterprises, particularly smaller units, holding or seeking defense contracts or eligible for subcontracting work. Thus, all owners of manufacturing facilities, however large or small, will be able to find in their own geographical regions complete information and advice on all problems pertaining to the defense program.

Representatives of the 12 Federal Reserve Banks met February 7 with officials of the Defense Contract Service for the purpose of preliminary organization of the 36 regional offices.

The meeting was called by Governor Draper at the suggestion of Mr. Mehornay and was attended by presidents and representatives of presidents of the 12 Reserve Banks.

Governor Draper pledged the wholehearted cooperation of the Reserve System in support of the work of the Defense Contract Service.

Mr. Mehornay said that the Washington organization will have five sections as follows:

### Assignments

Business section, headed by C. J. Myers, of Oklahoma City, the main function of which will be to channel to the field offices complete information on where, when, and how to bid on Army and Navy contracts;

Financial section, headed by Charles S. Garland, formerly connected with the Office of Small Business Activities, the main function of which will be to supply to the regional offices complete information on all financial matters connected with prime and subcontracts for equipment and materials;

Subcontracting and engineering section, headed by Joseph E. Trecker and Francis L. Trecker, former consultants to the War Department, who have been assigned to the Defense Contract Service to supervise the extension of subcontracting work;

Contract section, headed by Joseph P. Cotton, formerly with the Office of Small Business Activities, the main function of which will be to explain through the regional offices the terms of various types of contracts in use by the War and Navy Departments, tax depreciation, etc.

Peter R. Nehemkis, Jr., formerly with the Office of Small Business Activities, will serve on special assignments.

### Organization

Generally speaking, Mr. Mehornay explained, regional offices will be organized and staffed in the following manner.

A District Coordinator will be chosen from among prominent industrialists and businessmen and will serve without compensation. He will have general supervision over the activities of his district office.

Working under the supervision of the District Coordinator will be a District Manager, chosen for his knowledge of production problems and particularly charged with supervision of subcontracting phases of the work, analyses of facilities studies, and coordination with

local procurement offices of the armed services. District Managers will serve in a full-time capacity and will have technical experts on their staffs.

Special technical advice will be available to the regional offices from representatives of each of the five engineering groups—civil, electrical, mechanical, chemical, and mining—and such other consultants as may be needed from time to time for specific projects. Such advisers will not serve as a committee but will be on call as consultants on special problems. Officials of the national organizations of each of the five engineering societies have agreed to appoint such consultants.

### Civilian committees

Civilian advisory committees already working with district offices of the Ordnance Branch, War Department, will be asked to cooperate with the district offices of the Defense Contract Service, Mr. Mehornay announced at the meeting. Such cooperation has been suggested by the War Department.

Col. Ray M. Hare, Chief of the Facilities Division, Army and Navy Munitions Board, and Capt. C. W. Fisher, Director of Shore Establishments, United States Navy, addressed the meeting and expressed approval of the aims of the new organization and offered the cooperation of the two services in fulfillment of the program.

Joseph Trecker outlined the advantages of subcontracting as opposed to complete reliance on new industrial facilities from the standpoints of speeding production, minimizing industrial dislocation, and spreading business and employment.

### Mr. Biggers

At an afternoon session the group was addressed by John D. Biggers, Director of the Division of Production. Mr. Biggers stressed the importance of the program being undertaken by the Defense Contract Service and said: "The future of America as we have known it may depend to a large degree on the way in which we distribute the defense load. This organization provides the best medium for accomplishing this task \* \* \*

"If you succeed in spreading out defense orders from the larger to the smaller companies and from the larger to the smaller communities you will be doing much to insure the future of America."

It is expected that District Coordinators will be appointed and that full regional staffs will be actively at work in the near future.

# CONSUMER DIVISION . . .

## Responsibility of communities where rents are rising to make certain that local conditions do not create national problem

Rising rents in a few localities must not be permitted to start a price spiral which will increase living costs and hamper the defense program, Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, stated last week in a letter to the Defense Councils of States in which defense activity is centered.

"Communities where rents are rising have a responsibility to see that local conditions do not create a national problem," Miss Elliott said.

She explained that local action is recommended because marked rent increases do not appear to be general over the Nation, but appear to be confined to certain localities where military activities have brought an influx of new families, or where the defense program has expanded industrial production.

### Defense areas

The statement on rents was based on reports from a number of defense centers and on special studies made by the United States Bureau of Labor Statistics at the request of the Defense Commission in a dozen areas selected because they are experiencing intensified defense activity.

According to the Bureau of Labor Statistics surveys, rent increases occurred between October 1939 and November 1940 for a substantial proportion of the dwellings in each of the cities studied. Average increases to tenants whose rents were raised ranged from 6 percent in some cities to as much as 29 percent in others and usually were greatest in the lower rent brackets, the surveys showed.

"The defense effort will be hampered and all groups will suffer if a price spiral of rising living costs, rising wages, rising prices, and still higher living costs once starts," Miss Elliott's letter said.

### Costs maintained

"Any major item of living costs can start such a spiral. Next to food, rent is the largest item in the consumer's budget. Rents, therefore, are the items which should now be most closely watched."

"Up to the present time, the cost of living for the country as a whole has been maintained approximately at pre-defense levels," Miss Elliott pointed out.

"Rents for large cities as a whole and other major items in the consumer's budget, are not averaging substantially higher than before the defense program started. The one serious threat of rising living costs is in the particular localities where rents have risen."

### New families

"The rent increases which are occurring grow quite naturally out of situations where the influx of new families causes the demand for housing to increase much more rapidly than new dwellings can be supplied.

"The tendency for rents to rise will be intensified as more new people enter these communities, as leases expire, and as available space in private homes is occupied," Miss Elliott said. "But individual advantage in this situation, as in all others, must not be allowed to interfere with national defense."

Outlining some of the kinds of local action which could help meet the situation, Miss Elliott reported that local real-estate boards in some communities have already gone on record against unjustified rent increases.

"A sound rent policy," she continued, "must apply not only to previously rented properties, but to rooms, apartments, and other dwellings offered for rent to meet emergency demands. Where home-registration bureaus are set up, the rents for listed properties should be kept as close as possible to the pre-defense rents for similar properties. The experience of the World War period shows that local publicity can be an effective instrument for keeping rents in line."

### Legal measures

Only as a last necessity should a community resort to legal measures to deal with rents, Miss Elliott emphasized.

Since some rent situations may become sufficiently serious to require legal measures, she said, a proposed bill is now being drafted to provide a sound basis

for such measures. This bill will be available shortly for the use of State and local governments which may feel the need to take legal steps.

Summarizing actions being taken to keep consumer prices steady, Commissioner Elliott said:

"Immediate individual advantage from increasing prices of products and services must be subordinated to the needs of national defense and the longer-run interests of all groups in the population. Retailers, wholesalers, producers, and others have gone on record against unjustifiable price increases and have offered their cooperation in the maintenance of price stability.

"Certain groups of manufacturers have adopted the policy of low prices and large sales volume rather than high prices as a source of profits. Better Business Bureaus, newspapers, and broadcasting stations have given their assistance in checking scare advertising which might panic consumer buying and lead to rising prices.

"National defense requires similar cooperation in keeping rents in line."

In this connection, Miss Elliott made public a recent letter from the National Association of Real Estate Boards which said:

"Our president and other officers of the association have urged upon the 466 local real estate boards which constitute our membership that they suggest to all realtors and to property owners that rentals be fair and that every possible effort be made to avoid critical conditions and the criticisms arising from any effort at profiteering."

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## EXEMPTION OF LAY BROTHERS

Lay brothers of the Catholic Church are exempt from training and service under the Selective Service Act as "regular ministers of religion," it is announced by National Headquarters, Selective Service System. This ruling was based on an opinion by the legal division of National Headquarters, pointing out that it was the intention of Congress that such religious brothers "were included in the purview of the statutory exemption of regular ministers of religion from training and service." It was pointed out, however, that nothing would prevent such a lay brother from waiving his status as a regular minister of religion.

## Statement by the Consumer Division that consumer resistance against the rise in meat prices is well-founded

Meat prices have gone up to the point where consumer resistance is well-founded, Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, reported last week.

The statement was made in a letter replying to the Greater New York Hospital Association's request for information on the meat situation. The hospital association had reported that rising meat prices were completely dislocating hospital food budgets.

The text of Commissioner Elliott's letter follows:

"This is in further reply to your recent telegram expressing concern over increases in meat prices.

### Should be reluctant

"Consumer resistance to higher meat prices is developing rapidly, and on a considerable scale. We are of the opinion that, under existing conditions, this resistance is well-founded. Consumers should be reluctant to accept price increases attributed to the defense program.

"Army purchases of meat are not large enough to affect prices significantly, and explanations which attribute price increases to growing demand are only partially correct. It is true that national income has been increasing, but millions of consumers are not receiving larger incomes, and are in no better position to increase their expenditures on meat than they were a year ago.

"Failure of producers, processors, and distributors of meat to realize this fact may lead to unwise price speculation.

### Complex factors

"Highly complex demand and supply factors underlie the recent price changes. Employment has been growing and at least some consumers would like to buy more meat. On the supply side, marketings of hogs have declined sharply since December, and it is expected that less pork will be available in 1941 than in 1940.

"Supplies of domestic beef and lamb will be somewhat larger in 1941, but in view of growing purchasing power even larger supplies will be needed if prices are to be kept stable.

"The Department of Agriculture has recently advised farmers to increase hog production and to increase the slaughter

of cattle in 1941. The Consumer Division is in full accord with this proposal since increased supplies of meat animals offer the best solution of the meat problem.

"However, changes in supply come rather slowly and it may become advisable to seek additional supplies from other than domestic producing areas.

### Cheaper cuts

"If prices continue to advance consumers will do well to look for cheaper cuts and for meat substitutes. The Bureau of Home Economics can supply much valuable information on the preparation of low-cost meat dishes or of well-balanced meatless meals, and our own Division is pointing out from time to time the possibilities for substitution under existing market conditions. Your dieticians, of course, are familiar with the possibilities of this kind.

"In addition, the investigation of food prices by the Department of Justice is expected to include meat, and may produce results of significance to consumers."

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## "Scare" advertising defined by Miss Harriet Elliott

"Scare" advertising has been defined by Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, as "advertising which tends, through fear of price increases or shortages, to induce the consumer to make speculative advance purchases."

"This definition of 'scare' advertising should be of material assistance to business organizations which are working so effectively towards keeping prices of consumer goods at reasonable levels," Miss Elliott said, following a conference between representatives of the Consumer Division; Walter Morrow, secretary of the Retailers' Advisory Committee, and Kenneth Barnard, general manager of the Chicago Better Business Bureau.

Past success in discouraging such practices, and methods for further curtailing them were discussed at the meeting. Miss Elliott pointed out that every effort made to discourage scare advertising is an essential measure for consumer protection in the defense program.

## "Enriched" bread and flour—value to defense is stressed by National Research Council

Emphasized as a vital need in the defense emergency, the production of enriched bread, which was urged upon millers and bakers of the Nation by the National Research Council's Committee on Food and Nutrition, has already begun.

Some of the new product is near the market and it is expected that it will be available throughout the country in the near future, as will also an enriched flour for home bread-making.

### Standards set

Especially important for those who depend on bread for a large part of their energy food, the new products, both the bread and the flour, are being made according to standards of production established by conferences of national nutrition authorities.

Following regulations of the United States Food and Drug Administration, "enriched flour" can be made in either of two ways. One involves a change in milling processes, the other, the addition in proper amounts of thiamin, iron, and the pellagran-preventing factor, nicotinic acid, to white flour.

### Defense strains

To produce a pound loaf of "enriched bread" will cost less than two-tenths of a cent more than to produce ordinary white bread, and it is believed in the end will involve no extra cost to the consumer.

The National Research Council stresses the value of a nutritive diet for a population laboring on defense construction, with its various stresses and strains.

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## Need for 325 additional Army nurses by February 15

The War Department announced January 29 that 325 nurses will be required by February 15, 1941, for immediate assignment to duty in staff hospitals at the following Training Centers which will be occupied by troops by the early part of March:

Fort Devens, Mass., 120 nurses; Indiantown Gap, Pa., 85 nurses; and Camp Forrest, Tenn., 120 nurses.

Full information concerning eligibility for appointment to and assignment in the Army Nurse Corps as a Regular or Reserve nurse may be obtained by writing to the Surgeon General, United States Army, Washington, D. C.

# DEFENSE HOUSING . . .

## Announcement by Mr. C. F. Palmer of three measures which Congress will be asked to enact to alleviate shortages of housing for defense workers and enlisted personnel

In a three-pronged drive toward alleviating shortages in housing for the families of industrial workers and enlisted personnel in defense areas, C. F. Palmer, Defense Housing Coordinator, announced February 5 that Congress would be asked to enact three measures.

The new legislation would include the following:

1. An amendment to the National Housing Act which would set up a separate defense housing insurance fund of \$10,000,000 to be used to underwrite \$100,000,000 in mortgages on one- to four-family dwelling units in defense areas. This action would be designed to expedite participation by private industry in the Defense Housing Program.

2. A request for a \$150,000,000 appropriation. These funds would be allocated by the President to any agency he might determine for direct Federal construction of dwelling units for families of defense workers and enlisted personnel. Such allocations would correspond to those made under the Lanham and the Army and Navy Appropriation Acts.

3. An appropriation of \$6,750,000 to provide temporary shelter either by construction of buildings or otherwise in areas where the acuteness of the need will not wait upon ordinary construction procedure. These would serve a short-term need only.

### Could be rented

Under the FHA amendment, loans to builders would be insured up to 90 percent of the Federal Housing Administrator's appraised value of the property where the value of such dwellings ranged from \$4,000 on a single family residence to \$10,500 on the four-family apartment building.

Such homes could be sold with no down payments or could be offered for rent. At present, mortgages up to 90 percent of the appraised value can be insured only in cases where the builder is the owner occupant and is able to provide 10 percent equity in cash.

In explaining his reasons for requesting an amendment to the National Housing Act, Mr. Palmer declared that the magnitude of the defense housing program is such as to require the utmost speed in the production of dwelling accommodations at low cost. This can be accomplished best, he said, by the maximum use of the numerous builders of low cost homes who are accustomed to operating in all sections of the country with insured mortgage financing.

### "Flexible methods"

"The use of these normal processes, and the adaptation of normal methods of financing to the present situation, will provide an expeditious and flexible method of producing the required housing with a minimum of dislocation to the community, the private construction industry, and the system of residential financing.

"At the same time it will greatly reduce the present burden upon the facilities of Federal agencies engaged in the direct construction of publicly financed defense housing."

Mr. Palmer said the \$150,000,000 direct appropriation was to enable the President, through such agencies of the Government as he might designate, to take care of housing emergencies affecting the national security and defense.

### Funds allocated

The appropriation of \$6,750,000 to provide temporary shelter either by construction of buildings or otherwise would be expanded, if authorized, where it is not practicable to meet the immediate needs for emergency housing through private enterprise or under the Lanham and Army and Navy Appropriation Acts.

Mr. Palmer announced that substantially all of the funds made available under the Army and Navy Appropriation and the Lanham Acts, passed last September and October, respectively, had now been allocated. Thus far, he said, allocations have been made for approximately 70,000 defense housing units to

be built with public funds; one-half of this number are either under construction or completed.

### "Much more to be done"

"Although we have gone far toward alleviating the shortage of living accommodations which existed in certain vital defense areas, there is much more that needs to be done if we are to assure ourselves of an uninterrupted flow from our defense production lines," Mr. Palmer stated.

"It is the duty of the Defense Housing Coordinator to see that no wheel of industry fails to turn because some worker who should have been at that post was absent due to his inability to find proper housing for himself and his family."

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## Warning to Selective Service registrants to inform local boards of changes of address

Warning all registrants for Selective Service training of penalties provided for failure to respond to summons from their local boards, C. A. Dykstra, director of Selective Service, urges those who change their addresses to advise their local boards promptly.

Selective Service Regulations provide:

"It shall be the duty of each registrant to keep his local board advised at all times of the address where mail will reach him. The mailing of any order, notice, or blank form by the local board to a registrant at the address last reported by him to the local board shall constitute notice to him of the contents of the communication, whether he actually receives it or not" (par. 159).

"If a registrant or a person required to present himself for and submit to registration fails to perform any duty prescribed by the selective service law, or directions given pursuant thereto, within the required time, he shall be liable to fine and imprisonment under section 11 of the Selective Training and Service Act of 1940" (par. 159).

Director Dykstra pointed out that it has been the consistent policy of the entire Selective Service System to be as considerate as possible of the men who are subject to the provisions of the Selective Training and Service Act. His warning concerning the duty of a registrant to inform his local board of any change in his address, he said, is in continuation of that policy and is intended to help registrants avoid subjecting themselves unnecessarily to the penalties provided in the Act.

## Letter from the President approving the housing programs recommended by Mr. Palmer

President Roosevelt on February 4 sent the following letter to Mr. C. F. Palmer, Defense Housing Coordinator, approving the program of 14,925 housing units which had been recommended by the Coordinator:

MY DEAR MR. PALMER: I hereby approve the defense housing programs recommended by you pursuant to Executive Order No. 8632, dated January 11, 1941, in Locality Program Reports for the following places, as summarized in your letter of January 30, 1941 (DEFENSE, Feb. 4). Allocation of funds within the meaning of Public, No. 781, Seventy-sixth Congress, has been made for the following localities:

Kodiak, Alaska.  
Rantoul, Ill.  
Ponce, P. R.

In addition, appropriate findings of housing shortages within the meaning of Public, No. 849, Seventy-sixth Congress, have been forwarded to the Federal Works Administrator for the following localities:

Birmingham, Ala.  
Gadsden, Ala.  
Mobile, Ala.  
Muscle Shoals, Ala., locality (including Florence, Sheffield, Tusculumbia, Muscle Shoals, Ala.).  
Bridgeport, Conn.  
New Britain, Conn.  
Waterbury, Conn.  
District of Columbia.  
Alton, Ill. (including East Alton, Ill.).  
Charlestown, Ind. (including Louisville, Ky.).  
South Bend, Ind.  
Wichita, Kans.  
Baltimore, Md.  
Buffalo, N. Y.  
Elmira, N. Y.  
Kearny, N. J. (including Harrison, N. J.).

NOTE.—The Division of Coordination of National Defense Housing is now, by Executive order, in the Office for Emergency Management of the Executive Office of the President.

Paterson, N. J. (including Passaic, N. J.).  
Pedricktown, N. J.  
Akron, Ohio.  
Canton, Ohio.  
Cincinnati, Ohio.  
Ravenna, Ohio (including Warren, Ohio).  
Allentown, Pa. (including Bethlehem, Pa.).  
Beaver Co., Pa.  
Ellwood City, Pa.  
Philadelphia, Pa.  
Titusville, Pa.  
Williamsport, Pa.  
Nashville, Tenn.  
Dallas, Texas (including Grand Prairie).  
Dumas, Tex.  
Ogden, Utah.  
Manitowoc, Wis.

I also approve the defense housing programs for:

Annapolis, Md.  
Morgantown, W. Va.

You will please advise each Federal housing agency of its part in each proposed program and you will please facilitate the execution of these programs. No further action on my part will be required with respect to any revisions therein which you may find it necessary to authorize except that changes which substantially alter the scope and character of projects to be financed in whole or in part with Federal funds shall be submitted for my approval.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

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### 70,000 NAVY HOUSING UNITS

Enough living units to accommodate more than 70,000 people are now being constructed by the Navy as a part of the Coordinated Defense Housing Program, C. F. Palmer, Defense Housing Coordinator, reported February 5. This construction is included in 46 different projects in 42 localities of 23 States and will provide 16,000 dwelling units. Total cost of the projects amount to \$47,112,878.

This construction by the Navy is for families of enlisted personnel and civilian workers, and does not represent cantonments or barracks.

## Threefold policy for attaining the objectives of the Division of Transportation

Ralph Budd, Commissioner in charge of the Transportation Division of the National Defense Advisory Commission, reports that the Division is prepared to meet greatly expanded demands upon the Nation's transportation facilities.

Mr. Budd further stated:

Established primarily as an agency for bringing about unification of effort, the Division has attempted a threefold policy for obtaining its objectives:

(1) To anticipate all further transportation needs.

(2) To provide all facilities necessary to meet any further requirements.

(3) To insure that adequate service will be available through all types of transportation.

### Five distinct agencies

Instead of the one chief agency of transportation of 1917, America now possesses a huge transportation system comprising five distinct agencies.

More than 1,000,000 miles of surfaced highways form a complete network extending to all parts of the country, on which more than 26,000,000 automobiles and 5,500,000 trucks and trailer units ordinarily handle about 90 percent of our passenger traffic and about 9 percent of our freight traffic.

### Pipe lines

More than 100,000 miles of pipe lines are in regular service carrying petroleum products and natural gas, and account for the transportation of 14 percent of our national freight traffic.

Our inland waterways, especially the Great Lakes, have been developed to the point where about 14 percent of our freight is carried on them.

During the 1940 season, more than 63,000,000 tons of iron ore were carried on the Great Lakes.

And while the airways are not essential to the transportation of freight, they are of inestimable value in the rapid delivery of important mail and express.

Moreover, their service in passenger transport and their contribution to national defense mark an outstanding development in the present crisis, for of all transportation agencies the airways have the most to gain through technical development during the preparedness program which involves the manufacture of so many thousands of aircraft of many different types.

# LABOR DIVISION . . .

## Suggestions to guide prime contractors in farming out work to subcontractors; "Farming Out Bulletin No. 4"

Recommending establishment in local areas of clearing houses for information regarding available subcontracting work and available plant facilities, the Labor Division of the National Defense Advisory Commission, in *Farming Out Bulletin No. 4*, has compiled suggestions to guide prime contractors in farming out some of their work.

Although several agencies, notably the War Department, the Federal Reserve Banks, the National Association of Manufacturers, and several trade associations have compiled, or are in the process of compiling, lists of the Nation's plant facilities, the detailed, localized information must of necessity be made available by the various local areas.

### Industrial community

For purposes of the survey and effective dissemination of information, these local areas should be composed of a city or county, or several nearby cities or counties which together form one industrial community, the bulletin states.

Such local organization will expedite the farming-out procedure, which is an important factor in the defense program, officials said.

Farming out, by bringing "the work to the men rather than the men to the work," avoids disruption of community life in some places and congestion in others, they pointed out.

This tends to save the Government the cost and time required to provide new housing and community facilities and to keep labor conditions stable. In addition, as the defense emergency passes, there should be a much lighter problem of economic, social, and governmental adjustment.

### Full defense productivity

The farming-out procedure is necessary to bring into "full defense productivity the depressed areas of the United States; the thousands of shops, small and large, which even in generally active regions are still working only sporadically; and the tens of thousands of machines, some of them in the busiest plants, which individually are operated

far short of full time," according to the bulletin.

Besides promoting efficiency, it is believed that the farming-out procedure contributes to national morale and national unity by making it possible for all citizens to make what contribution they can to national defense, even in those places where the contribution would necessarily be small.

### Steps

The bulletin urges on prime contractors the following steps in seeking out subcontractors:

1. Make it known that work of a given kind is available.
2. Disseminate descriptions of this work, the most realistic descriptions possible.
3. Place exhibits illustrating those parts of ordnance and other defense equipment which it is desired to farm out to the small manufacturer, as well as to the large one who is seeking defense work.
4. Keep alert to suggestions that may come from all sorts of miscellaneous sources.
5. Ask your buying and selling agents in distant cities to look for suitable subcontractors.
6. Possibly send scouting agents through the area adjacent to your plant.
7. The builders of machine tools, because of their knowledge of where machines have been placed and their continuing contacts with clients, have often been of exceptional assistance.
8. In some areas State defense councils have rendered a valued service.
9. A State agency might publish, perhaps in booklet form (as was done by the Rhode Island Industrial Commission) information showing, for each of many manufacturing establishments in the State, their present products and services; the general class of work which they are equipped to do; the number of employees "now" and at capacity; and the tolerances to which they were accustomed to conform.
10. Often this information can be published in local newspapers, as in the

case of Rhode Island, where the Providence Journal devotes space to such information once a week.

11. Consult brokers regarding unused industrial capacity, especially of small shops.

12. When possible, cooperate with those companies with which you have previously worked on nondefense orders.

The bulletin suggests that the farming-out procedure might be expedited further by the Government and prime contractors making a detailed examination of every defense job with a view to determining just what part of the work could be done by ordinary foundries and machine shops.

As a variation of this principle, plants having capacity especially well fitted for defense business, could greatly increase their contribution to the national defense by farming out their peacetime operations to concerns having only the more usual types of equipment, the bulletin said.

For further information on this subject, apply to Morris L. Cooke, Labor Division, National Defense Advisory Commission, Federal Reserve Building, Washington, D. C.

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## Survey of British vocational training methods; Dr. Hambrook to be abroad 3 months

Dr. Robert W. Hambrook, senior specialist of the Office of Education, and aircraft training expert of 15 years' standing, was to take off by *Clipper* from New York February 11 for three months in England to study vocational-training methods.

Dr. Hambrook's orders call primarily for surveys of training methods in the fields of aircraft manufacturing, shipbuilding, and machine-tool building.

In addition, he will study Britain's war-time methods of recruiting new workers to fill the places of those inducted into the armed forces, as well as persons to operate the public services in such fields as fire-fighting and rehabilitation of bombed areas.

Another aspect of Dr. Hambrook's program calls for a report on health and morale building in Britain—physical training in the schools and recreational guidance.



## Labor . . .

(Continued from page 1)

tive agreements in the basic mass production industries—steel, automobiles, textiles, rubber, glass, shipbuilding, electrical equipment, public utilities, and others vital to the defense program. By and large, contracts between employers and representatives of organized labor did not make their appearance in these key industries until after 1933.

### Renewal of agreements

That these pacts are working toward the permanent establishment of more amicable and constructive employer-employee relations has been demonstrated recently by the renewal of many agreements by such large manufacturers as Boeing, Briggs, Chrysler, Hudson, Fairchild, Brewster, several steel companies, and various other concerns.

"Special praise," Mr. Hillman commented, "is also due to the statesmanlike stand taken by the 16 members of the Division's Labor Policy Advisory Committee, composed of spokesmen of the A. F. of L., the C. I. O., and the Railroad Brotherhoods. They represent the continuing determination of America's great organizations of labor to cooperate fully in guaranteeing the success of the defense program."

The Labor Policy Advisory Committee, appointed by Mr. Hillman shortly after he took over his duties as Commissioner, pledged the support of organized labor to the defense program and undertook to do everything in their power to maintain regular output in the defense industries.

### Collaboration

A group of industrial relations experts from both the A. F. of L. and the C. I. O. attached to the Labor Division's staff assist the Conciliation Service of the Labor Department and collaborate with the members of the Labor Policy Advisory Committee in carrying out this pledge.

Over and above everything else, it should be realized that this achievement in industrial peace belongs in great measure to those agencies of Government, such as the Labor Department's Conciliation Service, which have done a most efficient mediation job, and to those which are enforcing such social and labor laws as the National Labor Relations Act, the Fair Labor Standards Act, the Walsh-Healey Act, and the Davis-Bacon Act.

## Completion of arrangements for training 57,853 students in general engineering fields; approval of a new list of 331 engineering courses to begin at once

Federal Security Administrator Paul V. McNutt reported to Associate Director General Sidney Hillman, Office of Production Management, on February 10 that full arrangements have been completed for training 57,853 students in general engineering fields in connection with the national defense program.

The Administrator said he had approved a new list of 331 engineering defense training courses to be started at once under the general supervision of the United States Office of Education, a constituent member of the Federal Security Agency.

This addition brings the total number of courses to 775 given by 119 engineering colleges located in 47 States, the District of Columbia, and Puerto Rico.

### \$9,000,000 appropriation

Mr. McNutt explained that the engineering defense training program, for which Congress recently appropriated \$9,000,000, has been set up to meet shortages in engineering personnel with specialized training in fields essential to the defense program.

Short, intensive training courses utilizing the faculties of the Nation's engineering colleges are preparing engineers and others with the necessary basic education and experience for service as designers, inspectors, and supervisors of production in private industries and Government agencies actively concerned with defense.

Engineering training is one phase of the Office of Education's vocational training program being carried on in cooperation with the Labor Division of the National Defense Advisory Commission.

Under the program set up by Commissioner of Education John W. Studebaker, guidance on policies will be furnished by an advisory committee of 11 engineering educators headed by A. A. Potter, Dean of the School of Engineering, Purdue University.

R. A. Seaton, on leave as Dean of Engineering at Kansas State College, is in charge of a small administrative staff in the Division of Higher Education, of which Dr. F. J. Kelly is Chief. Contacts with engineering schools and defense industries throughout the country are be-

ing facilitated by 22 volunteer regional advisers drawn from college faculties.

Commissioner Studebaker explained that the Engineering Defense Training Program is in no sense a substitute for regular engineering courses leading to a degree. The purpose of the latter is to give a broad education in the principles and practices of engineering, requiring at least 4 years of hard study.

Typical Engineering Defense Training Courses, on the other hand, give intensive instruction in a narrow field to prepare the trainee for specific duties in as short a time as possible—normally between 2 and 6 months of full-time or part-time study.

### Admission requirements

Requirements for admission to the defense courses vary with the difficulty of the subject. While some are open to high-school graduates, others require from 2 to 4 years of engineering education. There are no age limits, but applicants will not be accepted unless they are employable in defense work.

Selection of students is entirely in the hands of the engineering schools, and requests for information about, or admission to, any course should be sent directly to the institution concerned. Accepted students will have the cost of their instruction paid by the Federal Government, but will be required to maintain themselves and buy needed textbooks.

General engineering fields in which instruction is to be given to the 57,853 students for which provision has already been made are shown in the following table:

	Maximum number of students
Aeronautical engineering.....	4,227
Basic courses (mathematics, etc.).....	3,065
Chemical engineering—Explosives.....	370
Chemical engineering—Other.....	1,026
Civil engineering.....	3,196
Electrical engineering.....	2,722
Industrial engineering.....	14,075
Marine engineering and naval architecture.....	1,382
Mechanical engineering—Drawing.....	9,166
Mechanical engineering—Inspection.....	4,826
Mechanical engineering—Machine design.....	3,527
Mechanical engineering—Tools and dies.....	2,927
Mechanical engineering—Other.....	1,313
Mining and metallurgical engineering.....	4,477
Miscellaneous.....	1,554

# STATE AND LOCAL COOPERATION . . .

## Michigan State Defense Council's report of action on its 10-point program

Activities and problems of the Michigan defense council since its organization on July 3, 1940, are summarized in a report recently submitted to Gov. Murray D. Van Wagoner and the members of the 1941 legislature. The report was prepared by Wilber M. Brucker, former Governor and chairman of the council, with the assistance of Mr. Everett De Ryke, executive secretary, and Mrs. Bettie W. Allie, secretary.

### 10-point program

At the organization meeting of the council, the following 10-point program was adopted:

(1) To promote and secure unity in the patriotic effort for national defense by the people of the State of Michigan.

(2) To accept leadership in endeavoring to raise public morale to the point where American tendencies and activities will be encouraged.

(3) To secure from and disseminate to accredited agencies useful information concerning unity for national defense.

(4) To mobilize full public support behind military, social, and economic preparedness activities, and to this end to cooperate with all Federal and State agencies.

(5) To survey the economic field, including labor, industry, agriculture, transportation, communication, highways, housing, and other interests so as to counsel with reference to the distribution of various services of supply for national defense.

(6) To encourage and assist in furnishing our State's full quota for Military and Naval Establishment.

(7) To discourage and prevent profiteering or the taking of unfair advantage of the national defense program by private or public interests.

(8) To foster and secure universal cooperation toward the required readjustment of peacetime activities to the defense program.

(9) To inspire and coordinate all lawful efforts to expose, counteract, and prevent subversive activities of every kind including "fifth column" and sabotage, but likewise to prevent hysteria and to

protect innocently suspected or accused persons from possible injustices.

(10) To organize, in due time, the civic energy through the enlistment of local support throughout Michigan for the national defense program.

### Committees named

To facilitate work of the Michigan council, several committees were appointed to make studies of situations arising from the concentration of population due to industrial and military concentrations; to make recommendations to the council, establishing the policies and methods of procedure in solving defense problems; and to recommend such legislation as might be needed.

The Governor allotted funds from the executive budget to carry on the work until the Sixty-first Legislature could meet and handle the situation, according to the council's report. Council meetings were held monthly and committee meetings in addition, the members attending without compensation for their time or actual expenses.

Some 14 committees have been appointed to carry out the various general duties of the council.

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## 27 LOCAL DEFENSE COUNCILS IN CONNECTICUT

A report from the Connecticut Council for National Defense, of which Gen. S. H. Wadhams of Hartford is chairman, announces the establishment of 27 local defense councils.

These councils are in the following communities:

Avon.  
Beacon Falls.  
Bethel.  
Bridgewater.  
Bristol.  
Cheshire.  
Cromwell.  
East Lyme.  
Ellington.  
Farmington.  
Madison.  
Middletown.  
New Canaan.  
New Fairfield.

New Haven.  
Newtown.  
Pomfret.  
Portland.  
Rocky Hill.  
Roxbury.  
Seymour.  
Southbury.  
Stonington.  
Trumbull.  
Waterbury.  
Westport.  
Wethersfield.

## Defense council at Radford, Va., set up on a regional basis

In accordance with the policy of the Virginia defense council, of which Dr. Douglas Freeman of Richmond is chairman, a regional council has been set up at Radford, Va. Several other regional councils have been established in response to critical problems arising in some sections of the Commonwealth.

Defense establishments in the Radford area include ordnance works, a large powder plant near Radford, a bag-loading plant near Dublin, and an airport near Blacksburg.

At the time of organization, the Radford region was defined as consisting of the following six counties: Montgomery, Pulaski, Giles, Floyd, Craig, and Roanoke as far as the western boundary of Roanoke City.

Chairman of the Radford regional defense council is Mr. John R. Hutcheson of Blacksburg. Gov. James H. Price has appointed citizens and representatives of local governmental agencies in the area to membership on the council. Mr. R. Lee Humbert of the Virginia Polytechnic Institute has been designated by the Governor to act as executive officer.

A manual of procedure for the Radford defense council is being prepared as a guide for executive officers. This manual will discuss briefly such problems as transportation, housing, education, recreation, utilities, and other matters of vital importance.

Following surveys of existing housing, health, and other facilities, steps have been taken to meet present and anticipated needs of the greatly increased population. For example, announcement was made in January that construction of 200 homes for workers had been authorized.

According to reports, some 13,000 persons were employed at the powder plant by late January. Additional thousands are to be employed in construction of the bag-loading plant.

Highway and traffic problems led to appointment of a transportation committee of the Radford defense council. This committee, like others, has been working with State and Federal authorities toward solution of its problems.

## Industrial and community surveys by the Wisconsin council; small plants furnishing information concerning their facilities

The Wisconsin Council of National Defense, of which Mr. R. S. Kingsley of Kenosha is chairman, reports that the 28 local defense councils are participating in two surveys, one of local industries, the other of community characteristics and resources.

The local defense councils organized thus far are all in cities of 10,000 or more population. They are appointed by the State defense council chairman. Plans have been made for defense groups in the remaining 48 counties, where organization will be worked out through the chairmen of the county boards of supervisors.

### Small plants surveyed

The industrial survey is to amplify and bring up-to-date the State council's earlier survey of available buildings and sites. Smaller plants that did not furnish information previously may now do so.

Points covered: (1) Name and location; (2) production facilities—plant, equipment, space for expansion, whether the owner has capital for plant expansion, etc.; (3) information as to whether the plant now has defense work as a primary or a subcontractor, whether it produced defense articles in World War I, etc.; (4) types of manufacturing (to be answered by metal-working establishments only); (5) raw materials used and source of supply; (6) type of products and industrial services; (7) transportation and storage facilities; (8) labor—number of employees, major types of skills, number of shifts, training programs, occupations likely to be bottlenecks if production were expanded.

### Community survey

A comprehensive community survey is also being made through the local defense councils. This covers:

(1) *Population*; (2) local government, police and fire department personnel and financial condition; (3) *labor*—estimated supply, average wage scale, local labor organizations, open or closed shop, labor attitude, what industries could best use available labor, outside labor supply; (4) *natural resources*—all available raw materials, and resources now used; (5) *industrial facilities*—types of transportation, rail distances to specified major cities, water supply, electric power, gas, banking, building and loan facilities, hos-

pitals, housing, schools, hotels, recreational facilities; (6) *industries*—name, major products, average number of employees, available buildings, floor space, sites; (7) *agricultural resources*—principal crops, commercial gardening, if any, and what industry using farm products could logically locate in the community, with reasons.

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## Completion of arrangements for construction of a steel plant at Houston, Tex.

William S. Knudsen, Director General of the Office of Production Management, announced February 8 that, in connection with plans for the expansion of the steel industry to meet defense needs, the American Rolling Mill Co., Middletown, Ohio, through its President, Charles R. Hook, has completed arrangements for construction of a steel plant at Houston, Tex., to be located on the Houston Ship Channel.

The Houston steel mill will have a capacity of 200,000 ingot tons per year, and will operate principally on scrap iron, manufacturing billets for shell forgings, structural steel, wire rods and wire products, light plates used in shipbuilding, and various other similar products necessary to national defense.

The plant is being financed by the RFC, in cooperation with the American Rolling Mill Co., and will be a permanent industry.

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## List of procurement agencies for Chemical Warfare Service

In the January 28 issue of DEFENSE it was stated that Edgewood Arsenal, Md., is a principal procurement agency for the Chemical Warfare Service. Edgewood Arsenal is no longer a procurement agency, but strictly on an arsenal and manufacturing status.

In the decentralization of the procurement program, the following offices are now responsible:

Office, Chief of the Chemical Warfare Service, Washington, D. C.; the Boston Chemical Warfare Procurement District, Boston, Mass.; the New York Chemical Warfare Procurement District, New York City; the Pittsburgh Chemical Warfare Procurement District, Pittsburgh, Pa.; the Chicago Chemical Warfare Procurement District, Chicago, Ill.; and the San Francisco Chemical Warfare Procurement District, San Francisco, Calif.

## Quantity production of the new field jackets for U. S. troops

The War Department has announced that the new field jacket, designed for light weight, warmth, and utmost freedom of action, is now in quantity production, and is being issued to military units in the field.

Organizations which have already received the new field jacket include: Troops in Alaska (issued in fall of 1940); troops in Newfoundland; and the Fifth Division (issued in December 1940).

The armored force is now being provided with this jacket and issue will be made at an early date to troops in the First and Second Corps Areas to be followed, over a period of months, by issue to all other troops on the authorized basis of one field jacket to each enlisted man in the continental United States.

The field jacket is designed for and will be worn in winter, spring, and fall in lieu of the wool coat or blouse. In design and cut, the garment is designed to be loose and easy fitting, with a pleated, single panel bellows back permitting maximum use of the arms and shoulders.

Approved specifications require the outer material to be a wind-resistant cotton cloth of high texture, fine woven, light in weight, strong, and very similar to Byrd cloth, with which this material is popularly but erroneously confused.

A special treatment gives this cloth water-repellant properties. In order to permit early quantity production, it was pointed out, suitable substitute inner and outer materials were employed in initial production.

For warmth, there is a permanent lining of 10½-ounce shirting flannel. The jacket has an open front with double closure—buttons and zipper—with an overlap to shut out the air.

A collar which can be turned up and fastened close around the neck by means of a tab, straps on the wrists to keep out wind and moisture, and two adjustable straps at the hip line complete the comfort features of the jacket. There are two pockets in the garment.

One of the many advantages of the field jacket, from the viewpoint of maintaining stocks of this garment, is the fact that the jacket is issued in only 7 sizes from 34 to 46, in contrast to the wool coat or blouse which is issued in 34 different sizes—33 regular to 44 regular, besides different lengths. The cost of the field jacket is about \$6 each.

## Report on preemployment defense training courses; more than 300,000 persons have taken them—Office of Education statement

In a report dated January 21, the United States Office of Education, Federal Security Agency, reports that 107,092 persons throughout the Nation were enrolled in preemployment-refresher and supplementary courses as of November 30.

As of the same date, a total of more than 300,000 persons had taken these courses during the period in which the program had been in operation.

The preemployment-refresher training is divided into 16 general types of courses. During October, about one-third of all enrollments were in machine shop; about one-seventh in aviation services; about one-tenth in automotive services; and another one-tenth in welding. Drafting, blueprinting, and electrical services account for another seventh of all courses.

### Regular vocational schools and defense training

A preliminary tabulation of enrollees in the regular vocational education program maintained under the Federal Smith-Hughes and George-Deen Acts, together with State and local funds, indicates a tremendous reservoir of new labor supply which is being provided by vocational education in addition to the special defense training.

Of primary significance to occupations essential to national defense are the 758,505 persons enrolled in trade and industrial schools. Of this number over 200,000 are enrollments in regular day classes, from which graduates may be employed in industry. Approximately 168,000 are in evening classes and some 384,000 in part-time classes.

In addition to these enrollments, there have been 584,000 persons enrolled in agricultural schools, 820,000 in home economics schools, and 130,000 in distributive education schools. Of these numbers a large proportion is being trained for industries essential to national defense.

### School program

It has been estimated that more than 2,000,000 persons are being trained by the regular school program in skills contributing to national defense.

All of this work is in addition to the

special defense-training courses and does not include an estimated 285,000 trainees in CCC camps, many of whom are also enrolled in specific defense-training courses, and instruction of an estimated 145,000 students in regular college and university engineering courses. There is in addition vocational and technical training in private trade and technical schools.

Also to be considered are the many industrial arts classes, many of which are giving foundation training of value for defense occupations.

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## Establishment of an Information Exchange on "Education and National Defense"

Commissioner of Education John W. Studebaker has announced establishment in the United States Office of Education of an Information Exchange on "Education and National Defense."

"Democracy's strength lies in encouraging new ideas. A good idea in Maine may be useful in California. The Information Exchange will make available throughout the country the thinking and experience of educational leaders," Commissioner Studebaker stated.

Schools are asked to cooperate with the Exchange in three ways:

1. Send in materials.
2. Tell about new or revised courses, training programs, or community educational activities which schools consider valuable in connection with defense.
3. Tell what kinds of help are most needed from the Exchange.

Materials have already been received from public schools of New York City, Seattle, Rochester, Detroit, and Los Angeles, from the States of Connecticut, Michigan, and Wisconsin, the New York State Educational Association, and scores of other educational sources. A preliminary catalog will be issued soon.

Commissioner Studebaker has delegated supervision of the Information Exchange to Bess Goodykoontz.

## Appointment of Samuel E. Hackett as consultant to the Steel Unit of the Materials Branch, Division of Production; transfer of Walter Tower to Steel Priority Committee

Appointment of Samuel E. Hackett, of Pittsburgh, as consultant to the Steel Unit of the Materials Branch, Division of Production, was announced February 4 by W. A. Harriman, Chief of the Materials Branch.

Mr. Hackett replaces Walter S. Tower, who has been transferred from the Steel Unit to the Steel Priority Committee, Division of Priorities.

Mr. Hackett was connected with the steel industry for many years. After association with J. T. Ryerson & Son, iron and steel jobbers, he became connected with the Jones & Laughlin Steel Co. in 1916 as general manager. He became president of the company in 1934 and resigned this position in 1936.

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## John Lord O'Brian's appointment as general counsel of OPM

The Office of Production Management announces appointment of John Lord O'Brian of Buffalo, a nationally known lawyer, as its general counsel.

Mr. O'Brian has actively engaged in law practice in Buffalo, N. Y., for many years and in accepting the assignment in the OPM has severed his connection with the law firm of O'Brian, Hellings, Ulsh, and Morey, of which he was the senior partner.

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## RESIGNATION OF MR. FOLSOM

Resignation of Marion Folsom as head of the Mining and Mineral Products Section of the Materials Branch, Division of Production, Office of Production Management, was announced February 3 by W. A. Harriman, chief of the Materials Branch.

Mr. Folsom joined the staff of the National Defense Advisory Commission at the time of its formation, agreeing to serve for 3 months.

Mr. Folsom's place in the Materials Branch is being taken by G. M. Moffett, formerly Director of the Food Products Section, Production Division, National Defense Advisory Commission.

# DEFENSE

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★ of the NATIONAL DEFENSE  
★ ADVISORY COMMISSION  
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## First of a series of price schedules issued by Mr. Henderson strikes directly at profiteering in second-hand machine tools; program will be extended where necessary to assert the full force of the Government

Striking directly at profiteering in second-hand machine tools, Leon Henderson, head of the Division of Price Stabilization, National Defense Advisory Commission, February 17 issued the first of a series of price schedules.

Mr. Henderson explained that his action initiates a program which will be extended where necessary to assert the full force of the Federal Government, including the power of commandeering and requisitioning, to protect the public interest against those seeking to profit exorbitantly on defense requirements. It will also serve, he said, to expose their activities to the Congress and to the public in general.

### Maximum prices

Mr. Henderson emphasized that the prices set forth in the directive are "ceiling" or maximum prices; that they are not only reasonable but liberal, and that sales may and should be made below the ceiling.

"The underlying purposes of this schedule," Mr. Henderson said, "is to establish fair price standards which will enable the great bulk of industry to cooperate with the Government in maintaining price stability, and to single out those who wish to grow rich on the defense program."

### Twice the cost

Cases have been brought to the attention of the Price Stabilization Division where machine tools are being priced at twice the original cost when purchased 30 or more years ago.

In many instances the price asked for second-hand tools exceeds current prices for new ones, thus threatening the entire machine tool price structure, stimulating disastrous inflation, placing undue burdens upon Government, and consequently weakening the defense efforts too.

### "Clip the profiteer"

"People indulging in these practices," Mr. Henderson said, "are of the stripe described by President Roosevelt as individuals who would clip the American eagle's wings to feather their own nests. We propose to maintain the eagle's full power of flight and clip the profiteer where it hurts him most."

The price schedules will become effective on March 1, 1941.

### MAXIMUM PRICES FOR SECOND-HAND MACHINE TOOLS [Exclusive of extras]

Date of manufacture	Classification by condition	Maximum price in terms of percentage of current list price of equivalent new machine tool
1. Jan. 1, 1936, and after.	(a) Rebuilt and guaranteed.	95
	(b) Others.	75
2. Jan. 1, 1930, to Dec. 31, 1935.	(a) Rebuilt and guaranteed.	90
	(b) Others.	70
3. Jan. 1, 1920, to Dec. 31, 1929.	(a) Rebuilt and guaranteed.	80
	(b) Others.	60
4. Before Jan. 1, 1920.	(a) Rebuilt and guaranteed.	70
	(b) Others.	50

# DEFENSE

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## NATIONAL DEFENSE

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## RFC ALLOCATIONS

**\$1,183,000,000**

Federal Loan Administrator Jones reports that defense allocations by the RFC now amount to \$1,183,000,000, and that purchases of strategic materials through the loan agencies now total 111,000 tons of rubber, 93,000 tons of tin, which he said was more than a year's supply for this country; 34,000 tons of tungsten, and 200,000 tons of copper.

## Improved methods for handling purchases for defense—announcement by Mr. Nelson; developed with War and Navy departments

Substantially improved methods of handling purchases in the defense program were announced February 14 by Donald M. Nelson, Director, Division of Purchases, following approval by the Office of Production Management.

They were developed by the War and Navy Departments in consultation with the Division of Purchases.

Satisfactory to both the Army and the Navy, and to the Division of Purchases, the new set-up clarified the working arrangements between the services and the Division. The Army and Navy will continue to initiate and execute contracts as in the past and will have final responsibility for defense material specifications and for fixing specific delivery dates on needed items.

Terms of the new arrangement:

1. The Division of Purchases is to constitute that part of the Office of Production Management which coordinates the placing of major defense orders and contracts, and advises the War and Navy Departments on procurement and procurement planning aspects of their schedules for the purchase of defense materials, articles, and equipment. To facilitate the efficient procurement of such materials, the War and Navy Departments and the chiefs of all purchasing branches will cooperate with the Director of Purchases.

2. The War and Navy Departments will continue to furnish the Director of Purchases information as to items to be acquired together with delivery schedules and specifications.

3. The Director of Purchases will review certain procurement procedures, methods, policies, and specifications, and, on highly technical items in co-operation with the Division of Production, will give such advice and make such recommendations as will facilitate efficient procurement.

4. All contracts for \$500,000 or more shall be submitted to the Director of Purchases for clearance before awards are made. Other important proposals for purchase—such, for example, as those involving unusual procurement problems, or those likely to have a substantial impact on the market—are to

be submitted to the Director of Purchases on request to the Secretary of War or the Secretary of the Navy.

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## Appointment of three advisers to the Division of Purchases to help the Army plan procurement of perishable foodstuffs

Appointment of three special advisers to the Division of Purchases, to help the Army Quartermaster Corps devise plans for the procurement of perishable foodstuffs, was announced February 11 by Donald M. Nelson, Director of the Division of Purchases in the Office of Production Management.

The men appointed are:

William Price, Buffalo, N. Y., former president of the Jacob Dold Packing Company, who will advise on problems connected with the meat-packing industry.

Alec Searle, Oakland, Calif., former western meat buyer for the Safeway Stores, who will also advise on meat-packing problems.

Ralph C. Samsell, Sacramento, Calif., formerly with the American Fruit and Produce Auction Association, who was named by the Food Procurement Advisory Committee as an assistant to John Martin, who is special adviser to the Division in charge of produce.

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## AT-7, all-metal training plane, undergoing tests at Wright Field

The War Department announced February 16 that the AT-7, an all-metal low-wing training monoplane manufactured by the Beech Airplane Co., Wichita, Kans., is undergoing Army Air Corps tests at Wright Field, Dayton, Ohio. Carrying a crew of five, it is the first airplane procured solely for training student navigators. The C-45A, a light transport manufactured by the same company and which is essentially the same as the AT-7, is also undergoing tests at Wright Field. The C-45A is different in that it is fitted for a crew of two and four passengers.



# PURCHASES . . .

## Savings of \$20,000,000 to the Government and much greater sums to the public through passage of the Army appropriation bill; provides for advance buying of Army clothes

Savings of at least \$20,000,000 to the Government, and much greater unestimated sums to the general public, will result from passage by the Senate on February 10 of a \$175,000,000 Army equipment appropriation bill.

The bill, which provides funds for advance buying of Army clothing, was passed by the House February 3.

These estimates were made by the Division of Purchases of the Office of Production Management, as word reached them that the Army plans immediate action to take advantage of economies which the bill makes possible.

As soon as the bill is signed by the President, Gen. C. L. Corbin, Assistant Quartermaster General of the Army, will instruct the Quartermaster Depot at Philadelphia to issue invitations to bid for making large quantities of winter clothing which, in the ordinary routine, could not have been bought until next summer.

### Invitations to bid

Invitations to bid will be issued on a "cut, make and trim" basis for the following articles (cloth for which is already owned or on order by the Army):

975,000 overcoats, 400,000 mackinaws, 1,500,000 wool serge coats, 2,690,000 pairs of wool trousers, 1,400,000 field caps, and 1,700,000 field jackets.

In addition, invitations to bid will be issued for:

4,000,000 pairs of wool drawers, 4,000,000 wool undershirts, 2,000,000 pairs of wool gloves, 1,700,000 pairs of heavy leather gloves, 260,000 pairs of lined horsehide gloves, 790,000 pairs of unlined horsehide gloves, 17,000,000 pairs of wool socks, 2,000,000 pairs of canvas leggings, 2,000,000 wool blankets.

General Corbin and A. J. Browning, deputy director of the Division of Purchases, outlined the benefits the Government will get from the advance buying program. These are:

### Slack season buying

1. The slack season in the winter clothing industry ordinarily begins toward the end of February. By placing its orders for next winter's goods now, the Army will be able to get the best possible prices.

### Steady employment

2. Workers in that industry will get steady employment through the spring and early summer. Present Army contracts for winter garments will be completed within a fortnight or so, and normally the industry would be slack for several months.

### Price control

3. Commercial demands for winter clothing begin to reach a peak at the factories in midsummer. Normally, the Army could not place its orders until after the beginning of the new fiscal year, July 1. Those orders would have gone on top of heavy civilian buying; the result would have been extensive price increases, both to the Army and to the general public.

### Prompt delivery

4. By getting in ahead of the peak season, the Army can be certain that its orders can be filled promptly and that complete winter equipment will be ready for the selectees who are called up during the late spring and summer.

### Surplus wool

5. Advantage can be taken of a surplus of domestic blanket wool, which can be made up into blankets economically at this time.

Prospective purchases of woollen cloth are not included in this list. The schedule of placing woollen cloth contracts is still under advisement.

The advance buying program was worked out by Quartermaster Corps officers and experts from the Division of Purchases early this year, after Mr.

Browning had drawn up a memorandum asserting that "in order to do a well-planned buying job which will keep costs at a minimum, give labor continuous employment, keep consumer prices down, and obtain deliveries on schedule, orders must be placed from six months to one year in advance of the time the merchandise is needed."

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## Establishment of 50-hour work week on power development to complete job 3 months in advance of original plans

The Work Projects Administration has established a 50-hour work week on the Santee-Cooper hydroelectric power development in South Carolina, Acting Commissioner Howard O. Hunter announces.

The step-up followed placing the project in an emergency classification as "necessary to national defense" by William S. Knudsen, Director General of the Office of Production Management.

The 8,400 WPA workers clearing the 100,000 acres in the \$45,000,000 power project are expected to complete the job at least 3 months in advance of original plans, under the new work schedule.

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## Appointment of Mr. Eric Nicol as administrative assistant to Mr. Sidney Hillman

Sidney Hillman, Associate Director General, Office of Production Management, February 12, announced appointment of Eric Nicol as his administrative assistant.

Mr. Nicol was formerly administrative consultant to the division of administrative management in the Bureau of the Budget, and before serving in that position was for 8 years an industrial relations and personnel adviser for various concerns in Philadelphia and elsewhere.

In his new post, Mr. Nicol is charged with the responsibility of coordinating activities of Mr. Hillman's office with those of others in OPM and with staff heads of various sections within the Labor Division of the National Defense Advisory Commission.

## January plant expansion contract awards; total of \$357,685,332, as compared with less than \$700,000,000 for the previous seven months

Acceleration in the award of contracts by the Army and Navy for plant expansion, construction, and equipment was revealed in a compilation of January contracts released February 11 by the National Defense Advisory Commission.

During January, plant expansion contracts awarded totaled \$357,685,332 as compared with a little less than \$700,000,000 for the previous 7 months.

January contracts covered projects in 19 States.

These plant expansion contracts ranged from Government-owned munition works constructed on a fixed-fee basis to contracts financed by private manufacturers to be amortized by Government payments over a period of 5 years, with the option to the manufacturer to purchase the facilities at the end of that period.

The list of January expansion contracts follows:

### ALABAMA

E. I. duPont de Nemours & Co., Wilmington, Del.; construction, equipment, and preparation for operation of smokeless powder plant at Childersburg, Ala. Cost-plus-fixed-fee basis. (Equipment, \$13,000,000; construction and preparation for operation \$34,997,000); \$47,997,000 (War).

### CALIFORNIA

North American Aviation, Inc., Inglewood, Calif.; expansion of plant facilities for production of aircraft, frames; \$2,270,405 (War).

### COLORADO

Remington Arms Co., Inc., Bridgeport, Conn.; equipment of a small arms ammunition plant near Denver, and management services in connection with installation; \$14,800,000 (War).

### CONNECTICUT

Hartford Machine Screw Co., Hartford, Conn.; expansion of plant equipment, machinery, and tools for manufacture of aircraft engine parts; \$469,000 (Navy).

New Britain Machine Co., New Britain, Conn.; acquisition and installation of additional plant for manufacture of aircraft engine parts; \$409,000 (Navy).

The M. B. Manufacturing Co., New Haven, Conn.; increase in plants for manufacture of aircraft engine parts; \$96,000 (Navy).

### GEORGIA

Reynolds Corporation (subsidiary of Reynolds Metal Co.), Richmond, Va.; construction of plant for manufacture and assembly of ordnance equipment at a site near Macon, Ga.; \$1,673,315 (Navy).

### ILLINOIS

Foote Gear & Machine Co., Chicago, Ill.; acquisition of additional machinery and equipment for production of aircraft engine gears (in addition to \$1,940,000 previously announced); \$920,000 (Navy).

Stewart-Warner Co., Chicago, Ill.; increase in plant for manufacture of ordnance items; \$4,000,000 (War).

Studebaker Corporation, South Bend, Ind., part of \$36,799,300 for plant expansion in Chicago for production of Wright Aeronautical "2600" engines. (See Studebaker Corporation, Ind.)

### INDIANA

E. I. duPont de Nemours & Co., Wilmington, Del., increased facilities for manufacture of smokeless powder at the Indiana Ordnance Works, Charlestown, Ind. (in addition to \$51,000,000 previously announced), \$23,000,000 (War).

Studebaker Corporation, South Bend, Ind., expansion of aircraft facilities at South Bend, Ind. Part for expansion at Chicago plant; part for production of Wright Aeronautical "2600" engines, \$36,799,300 (War).

Curtiss-Wright Corporation (Curtiss Propeller Division), 30 Rockefeller Plaza, New York, N. Y., part of \$14,090,350 for extension of plant at Indianapolis, Ind., expansion of plant facilities at Caldwell, N. J., and new plant at Pittsburgh, Pa., for manufacture of propellers. (See Curtiss-Wright Corporation, Pa.)

Studebaker Corporation, South Bend, Ind., additional plant at (a) South Bend, Ind., a main assembly plant; (b) Fort Wayne, Ind., a feeder plant for manufacture of gears; (c) Chicago, Ill., a feeder plant for manufacture of connecting rods and precision parts (machinery

equipment, \$10,045,313; plant construction, \$39,740,836); \$49,786,149 (War).

Three contractors: (1) Winston Bros. Co., Minneapolis, Minn. (2) C. F. Haglin & Sons, Inc., Minneapolis, Minn. (3) Missouri Valley Bridge & Iron Co., Leavenworth, Kans., construction and equipment of bag-loading plant at Charlestown, Ind. Equipment and management services in connection with installation of equipment by Goodyear Engineering Corporation, Akron, Ohio, \$17,600,526 (War).

### MARYLAND

Two contractors: (1) Cummins Construction Corporation, (2) Riggs Distler & Co., Inc., Baltimore, Md., plant facilities, Edgewood Arsenal and Aberdeen Proving Ground; \$1,130,684 (War).

E. I. duPont de Nemours & Co., Inc., Wilmington, Del., expansion of powder manufacturing facilities at the Naval Powder Factory, Indian Head, Md.; \$3,490,000 (Navy).

### MASSACHUSETTS

Perkins Machine & Gear Co., West Springfield, Mass., construction, acquisition, and installation of additional machinery and equipment for manufacture of aircraft engine parts; \$365,000 (Navy).

The Worthington Pump and Machinery Co., Holyoke, Mass., increase in plant facilities for manufacture of aircraft engine parts; \$269,000 (Navy).

Lawon Machine & Tool Co., Malden, Mass., increase in plant facilities for manufacture of aircraft engine parts; \$60,000 (Navy).

### MICHIGAN

Ex-cell-O Corporation, Detroit, Mich., expansion of plant facilities for use in manufacture of aircraft engine parts; \$1,669,678 (Navy).

The Aviation Corporation, (Republic Aircraft Products Division) Detroit, Mich., construction, acquisition, and installation of additional plant facilities and equipment, including machinery and tools for manufacture of aircraft engine parts; \$532,000 (Navy).

General Motors Corporation, (Buick Motor Division), Grand Blanc Township, Genesee County, Mich., expansion of aircraft facilities for production of Pratt & Whitney "1830" engines; \$24,313,150 (War).

Bohn Aluminum and Brass Corporation, Detroit, Mich., acquisition, construction, installation of additional plant facilities and equipment for manufacture of parts for airplane engines; \$1,216,000 (Navy).

## MISSOURI

Three contractors: (1) Fruin-Colnon Contracting Co., St. Louis, Mo. (2) Fruco Construction Co., St. Louis, Mo. (3) Massman Construction Co., Kansas City, Mo., construction of plant for the manufacture of small arms ammunition at St. Louis, Mo.; \$11,819,400 (War).

## NEBRASKA

Omaha Steel Co., Omaha, Nebr., machinery and equipment for manufacture of ordnance items; \$483,875 (War).

## NEW JERSEY

Curtiss-Wright Corporation (Curtiss Propeller Division), 30 Rockefeller Plaza, New York, N. Y., part of \$14,090,350 for extension of present plant at Indianapolis, Ind., expansion of plant facilities at Caldwell, N. J., and new plant at Pittsburgh, Pa., for the manufacture of propellers. (See Curtiss-Wright Corporation, Pa.) (War).

Camden Forge Co., Camden, N. J., acquisition and installation of special equipment and plant for production of heavy forgings; \$3,125,619 (Navy).

Wright Aeronautical Corporation, East Paterson, N. J., additional facilities for manufacture of aircraft engines; \$1,500,000 (War).

## NEW YORK

Fairchild Engine & Airplane Corporation, Farmingdale, N. Y., acquisition, construction, and installation of additional facilities and equipment; \$1,478,800 (Navy).

New Process Gear Corporation, Syracuse, N. Y., construction, acquisition, and installation of additional facilities, including machinery, equipment, and tools, for manufacture of aircraft propeller parts; \$348,000 (Navy).

## OHIO

Wright Aeronautical Corporation, Lockland, Ohio; erection of plant for manufacture of Wright aeronautical engines; \$42,488,548 (War).

E. B. Badger & Sons, Boston, Mass.; construction and installation of equipment of TNT and DNT plant at Sandusky, Ohio, to be operated by the Trojan Powder Co.; \$9,388,330 (War).

Westinghouse Electric & Mfg. Co., Pittsburgh, Pa.; construction of naval ordnance plant at Canton, Ohio; \$16,000,000 (Navy).

## PENNSYLVANIA

Hughes-Foulkrod Co., Philadelphia, Pa.; structural shop, welding sheds, and welding rooms in turret shops, etc., Navy Yard, Philadelphia; \$458,100 (Navy).

## Compilation of defense contracts cleared and awarded, February 6 through February 12

National Defense contracts cleared and awarded during the period February 6 to February 12, inclusive, totaled \$33,491,192. This compares with \$21,204,000 for the previous week.

All contracts over \$500,000 are cleared by the Division of Purchases of the Office of Production Management.

Awards during the latest period by the War Department totaled \$21,238,818, and by the Navy Department, \$12,252,374.

## EQUIPMENT AND SUPPLIES

## WAR DEPARTMENT

Hudson Motor Car Co., machinery for manufacture of engine parts for the Wright Aeronautical Corp., Detroit, Mich.; \$939,313.

The Eaton Manufacturing Co., machinery for manufacture of propeller parts for the Wright Aeronautical Corporation, Cleveland, Ohio; \$854,335.

Graham-Paige Motors Corporation, machinery for manufacture of connecting rods for the Wright Aeronautical Corporation, Dearborn, Mich.; \$1,803,280.

N. A. Woodworth Co., land, building, and machinery for manufacture of engine parts for the Wright Aeronautical Corporation, Ferndale, Mich.; \$738,944.

Murray Corporation of America, machinery for manufacture of airplane wing assemblies for the Douglas Aircraft, Inc., Detroit, Mich.; \$1,952,474.

Union Switch & Signal Co., Swissvale, Pa.; acquisition, construction, and installation of additional machinery equipment and tools; \$1,243,000 (Navy).

Lukius Steel Co., Coatesville, Pa.; acquisition, construction, and installation of additional facilities, including building extensions, and mechanical equipment and machinery for increasing capacity of 206-inch mill; \$12,160,000 (Navy).

Curtiss-Wright Corporation, (Curtiss Propeller Division), New York, N. Y.; part of \$14,090,350 for extension of present plant at Indianapolis, Ind., expansion of plant facilities at Caldwell, N. J., and new plant at Pittsburgh, Pa., for manufacture of propellers; \$14,090,350 (War).

## TENNESSEE

Two contractors: (1) The H. K. Ferguson Co., Cleveland, Ohio. (2) The Oman Construction Co., Nashville, Tenn.; construction of an ammunition loading plant known as the Wolf Creek Ordnance Plant, at Milan, Tenn., to be operated by the Procter & Gamble Defense Corporation of Cincinnati, Ohio; \$8,514,370 (War).

The Speri-Gyroscope Co., Inc., machinery for manufacture of technical instruments; Brooklyn, N. Y.; \$3,025,000.

Thompson Aircrafts Products Co. (a subsidiary of Thompson Products, Inc., Cleveland, Ohio); land, building, and machinery for the manufacture of aircraft parts and aircraft engine parts, Cleveland, Ohio; \$11,198,472.

Folmer Graflex Corporation, cameras, Rochester, N. Y.; \$727,000.

## EQUIPMENT AND SUPPLIES

## NAVY

Warren Steam Pump Co., Inc., pumps, main condenser, circulation, New York, N. Y.; \$708,328.

Phelps Dodge Copper Products Corporation, Habirshaw Cable and Wire Division, cable, electric, New York, N. Y.; \$553,252.05.

Rockbestos Products Corporation, cable, electric, New Haven, Conn.; \$554,484.40.

General Cable Corporation, cable, electric, Washington, D. C.; \$538,521.

Snow Shipyards, Inc., sweepers, mine, coastal, Rockland, Maine; \$604,000.

## AIRPORTS

Siems Spokane Co. & Associates; construction of facilities for Army garrisons at Sitka, Kodiak, and Unalaska, Alaska; \$5,193,540.

## AIRCRAFT

Beech Aircraft Corporation, airplanes, Wichita, Kans.; \$599,948.56.

## HOUSING

Hawaiian Dredging Co. and Associates; 1,000 family dwelling units and facilities at Pearl Harbor, Oahu Island, T. H.; \$3,500,000.

## TEXAS

Todd Galveston Dry Docks, Inc., Galveston, Tex.; acquisition, construction, and installation of additional plant including floating drydock; \$2,254,343 (Navy).

## VIRGINIA

Mason & Hanger Co., New York, N. Y.; construction of bag-loading plant near Pulaski, Va., to be operated by Hercules Powder Co., Wilmington, Del.; \$9,376,390 (War).

### The Office of Production Management:

William S. Knudsen, Director General; Sidney Hillman, Associate Director General; members: Secretary of War Henry L. Stimson and Secretary of the Navy Frank Knox. Within the Office of Production Management are the following: Division of Production, John D. Biggers, director; Division of Purchases, Donald M. Nelson, director; and Division of Priorities, Edward R. Stettinius, Jr., director.

# PRIORITIES . . .

## Complete preferential status for the next 90 days for defense orders for magnesium; letter from Mr. Stettinius to aircraft manufacturers asking that scrap aluminum be saved for return to sources of supply

Defense needs for magnesium were given complete preferential status over nondefense orders February 13 by the Priorities Division of the Office of Production Management.

This action strengthens a step taken earlier in the week when the Priorities Division requested that magnesium be given such treatment in the interest of national defense.

A letter sent to magnesium producers over the signature of Edward R. Stettinius, Jr., Director of Priorities, said that for the next 90 days defense orders for magnesium should be filled to the exclusion of all other demands.

### Exclusively allocated

The letter said:

"In view of the unprecedented demand for magnesium required by the cumulative defense needs for utilization of this metal, it is the opinion of the Priorities Division, based on recommendation of the aluminum and magnesium priority committee, that the supply for the immediate future at least should be exclusively allocated to defense needs.

"In consideration of the circumstances of the case, I hereby direct all manufacturers and fabricators to supply manufacturers of defense articles and equipment for the next 90 days, exclusive of all other demands, excepting those articles now in process, suspension of the manufacture of which would result in needless loss if not carried to completion.

"This direction for preferential consideration of defense projects should be considered as becoming operative immediately upon receipt of this communication. In case of special difficulties imposed by this ruling, where these involve minimum amounts of magnesium, reference of the decision involved may be made to Dr. E. M. Hopkins, minerals and metals priority executive."

Earlier in the week, airplane companies were asked to cooperate by saving scrap aluminum for return to the original sources of supply. Industrial users of

aluminum in the nondefense field were urged to give immediate attention to the use of substitutes, including plastics. The following letter was sent by Mr. Stettinius to major aircraft plants.

"Under the necessities of the present situation, every economy in the use of aluminum becomes necessary and all measures for salvaging existent supplies become imperative.

"Under these circumstances, the Priorities Division, on recommendation of the aluminum and magnesium priority committee, desires your cooperation in suggesting what in your opinion would be the most practical and desirable procedure for handling scrap.

### Reservation imperative

"Furthermore, until the Priorities Division can determine what in its opinion is desirable policy in this matter, it requests that all high-strength alloy sheet scrap be held for later return to the source from which the original supply was shipped to you."

Rapidly increasing demands of the defense program, together with certain other unfavorable factors, have brought about a situation at present in which it becomes imperative that all magnesium be reserved for defense purposes.

### Swiss source cut off

Among the other factors in the situation is a cutting off of aluminum from Switzerland, used as a deoxidizing agent in steel manufacturing processes, and a lack of the development of expected power sources as rapidly as had been anticipated.

So far as aluminum is concerned, the Priorities Division is not yet ready to make any formal ruling but requests that concerns using this metal in nondefense manufactures turn their attention at once to the possible use of substitutes. In the case of other metals, as in zinc, industries have already launched investigations to see how and to what extent substitutes may be employed.

## Decision that schools' requests for tool priority certificates cannot be granted; pressing need in existing defense plants

Because of the pressing need for machine tools in vital defense industries, including existing plants and factories under construction, the Priorities Division of the Office of Production Management has decided that it cannot grant applications for priority certificates on such tools requested by schools and other educational institutions engaged in training workers.

An effort is being made to divert such demand into second-hand or second-grade tools.

A letter sent out to boards of education and school administrators, from whom there have been many requests for priority rating for the purchase of machine tools, says that such requests cannot be granted.

### Careful study

The letter says, in part:

"The Priorities Division has made a careful study of the machine tool situation in all its aspects.

"As you doubtless understand, there is at present the most pressing need for machine tools to equip existing and new plants quickly to produce the vital arms and equipment that our Army and Navy must have, and while there is full realization of the fact that trained men are just as necessary as machine tools, it is felt that for the present at least, the needs of educational institutions for machine tools must be met as far as they can be by finding second-hand or unused tools.

### Training through rebuilding

"The very work of rebuilding or repairing second-hand tools is in itself an effective step in training youth.

"The whole subject of second-hand tools and their availability is being studied here, and it is hoped that effective help can be rendered institutions such as yours in indicating sources from which second-hand or used machine tools may be had."

## Recommendation that all manufacturers give immediate attention to the development of plastics to conserve vital metals; calls attention to work of Bureau of Standards

E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management, on February 14 urged all manufacturers who have not already done so to give immediate attention to the development of plastics.

He made the statement in the interests of conserving the supply of certain metals vitally needed in defense industries, such as aluminum, magnesium, and zinc.

Mr. Stettinius pointed out that the United States Bureau of Standards maintains a plastics section headed by Dr. Gordon Kline, which is able to give advice to those manufacturers interested in the possibility of developing plastics to meet problems in their manufacturing processes.

### Industry meeting

He also called attention to a meeting of the Plastics Defense Committee of the Society of the Plastics Industry which will meet in Washington February 21 at the Mayflower Hotel to discuss with Army and Navy and other Government officials the increasing emphasis on the importance of industrial plastics. Suggestions for increasing the use of plastics for both defense and nondefense purposes are to be taken up at the meeting.

Mr. Stettinius said:

"The impact of the rapidly developing defense program on our economic system now makes it imperative that certain vitally essential metals be conserved as much as possible for primary defense purposes. This is especially true in the case of aluminum, magnesium, and zinc.

"With defense industries making compelling demands on the available supply of such metals, it appears that the supply available for other production in the non-defense sphere will be diminished.

### More important than ever

"This means, in turn, that the whole question of plastics now becomes more important than ever before. A number of industries through their trade associations have already launched investigations to see how and to what extent they can expand the use of plastics in their

products. We feel that manufacturers who have not yet done so should make similar efforts.

"It should be pointed out that the Bureau of Standards through its plastics section is equipped to give advice on these problems.

"I should also like to direct attention to the forthcoming meeting of the Plastics Defense Committee at which many of the problems involved in plastics production will be discussed."

### Aircraft use

Industrialists in the United States have been giving increasing attention to plastics as well as to the use of other substitutes for a number of years. But the process of "designing into plastics" has been greatly accelerated in recent months by the development of the defense program.

This is the case not only in the field of ordinary commercial production, but also in the production of military aircraft.

A number of aircraft builders are making elaborate tests to see how and where plastic materials may be used in place of metals, such as aluminum, in cowl covers, engine baffles, and flooring.

### Bureau project

The Bureau of Standards has under way a project, in cooperation with the National Advisory Committee for Aeronautics, to develop a new material suitable for aircraft uses. One of the major problems involved is the development of a plastic which could be used not only as a substitute for nonstructural parts, but also for those structural units subject to stress.

Broad attention to the possibility of developing plastics is also being given by automobile manufacturers and by the makers of refrigerators, washing machines, vacuum cleaners, and other household equipment. One project being considered would call for the construction of refrigerator frames entirely of plastics.

If the use of plastics increases, officials of the Division of Priorities feel that it will help to ease the situation caused by shortages of defense metals and, in ad-

dition, will serve to stimulate desirable activity in an industry which has wide opportunities before it.

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## Agreement to expedite the flow of structural steel shapes into defense construction; greater effort by producers to fill defense orders first

An effort to expedite the flow of structural steel shapes into defense construction has been inaugurated by representatives of the Priorities Division and major steel producers, it was announced February 11 by E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management.

Representatives of the steel companies met in New York with Samuel S. Stratton, general assistant director of the minerals and metals section of the Priorities Division.

### Already giving preference

The steel producers said they were already giving preferential treatment to defense orders, and they agreed that an even greater effort would be made to fill defense orders first. This will be done on a voluntary and informal basis.

The major problem discussed involved the fact that a temporary tightness has developed in the delivery of structural steel shapes needed generally for defense construction, including the expansion of aircraft plants, automobile factories, military cantonments, and machine tool plants.

### Difficulty with deliveries

The situation has become particularly apparent during the past few weeks with statements from both defense and non-defense users of shapes that they are having some difficulties with deliveries.

At the New York conference, representatives of the mills, which are working at near capacity, said they expected that most defense orders for shapes would be on their books by early summer. This would indicate a tapering off of such orders after that time and an easing of the situation.

If the new effort to expedite defense deliveries is successful, officials of the Priorities Division believe that the imposition of formal priorities for such orders may be avoidable.

## Working arrangement for the operation of the priorities system; official bulletin issued by Mr. Stettinius

A working arrangement for the operation of the priorities system was announced February 17 in a bulletin issued by E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management.

The new plan is expected to facilitate the handling of problems arising in connection with the issuance and application of preference ratings.

The arrangement is a broad one, covering the entire sphere of the priorities system, and clarifies the relationship between the operations of the Army and Navy Munitions Board, concerned primarily with military needs, and the wider field of general industrial and civilian needs which are administered by the Priorities Division.

The arrangement was worked out by representatives of the Priorities Division and of the Army and the Navy. It is, of course, subject to revision from time to time.

A copy of the official bulletin issued by Mr. Stettinius follows:

### Function of the Priorities Certificate

The priorities system is intended primarily to implement the purchasing and production of defense material required by the War and Navy Departments. Certain important civilian projects and foreign orders may be given priority aid, where speed is essential, and civilian needs will have to be carefully balanced with defense needs at all times.

The principal administrative mechanism in the operation of this system is the "priorities certificate" which is the notice to a contractor that a certain material is to be given preferential treatment, if necessary to meet delivery dates. This should be done without prejudice to contracts and orders bearing equal or superior ratings, but by withholding or deferring deliveries on other contracts and orders.

In order to preserve the effectiveness of the priorities certificate, it is to be used only when an alternative solution is not readily available. Therefore, the Priorities Division will attempt to obviate the use of priorities, wherever possible, by working in close collaboration with the Division of Production, with a view to adjusting production schedules, and

with the Division of Purchases, with a view to finding alternative sources of supply.

### Ratings and order of preference

The order of preference is indicated by the following symbols: In the order of precedence AA, which is reserved for emergencies of an exceptional nature; A-1-a, A-1-b, A-1-c, \* \* \* A-1-j; A-2, A-3 \* \* \* A-10. As between contracts and orders in the same subdivision (as A-1-c), except as otherwise specifically requested by the Director of Priorities, the date of delivery contracted for will determine the order of precedence.

### Plan of organization

*The Army and Navy Munitions Board*, pursuant to direction from the Army and Navy Joint Board, will determine the relative importance of military items, such as guns, tanks, airplanes, ammunition, etc. On the basis of this determination, the contracting officers of the Army and the Navy, coordinated by the Army and Navy Munitions Board, will administer the assignment of preference ratings to prime contracts for a selected list of critical items.

This selected list, commonly called the "critical list," is made up primarily of military items and parts which usually have no direct counterpart in commercial production. The contracting officers, under the arrangement now being effected, will also approve the extension of the preference rating assigned the prime contract to the first subcontract, if the items being manufactured in the first subcontract are on the critical list.

The Army and Navy Munitions Board will also assign preference ratings in the same manner to prime contracts placed by certain other governmental agencies for equipment deemed essential to the defense program, upon application by the contracting officer or prime contractor. Such agencies now include the Maritime Commission, Coast and Geodetic Survey, Coast Guard, and the National Advisory Committee for Aeronautics.

*The Priorities Division of the Office of Production Management*, as the arrangement is effected, will be responsible for the determination of preference ratings on all items below the first subcontract,

including all raw materials. All priorities certificates will be issued over the signature of the Director of Priorities, but in the case of prime contracts and first subcontracts, as mentioned above, the Army and Navy Munitions Board will be supplied with certificates signed in blank to be issued to the contracting officers for authentication by them in accordance with the general policy outlined above. Carbon copies of the completed certificate will be returned to the Priorities Division for supervision, and to the Army and Navy Munitions Board.

The administration of priorities by the Priorities Division is handled in five sections, under group executives, namely: 1. Minerals and Metals; 2. Chemicals; 3. Commercial Aircraft; 4. Tools and Equipment; 5. General Products.

Each of the five groups of the Division is advised by one or more Priority Committees, made up, typically, of the group executive of the section as chairman, and a representative of the Army, the Navy, the producing industry, the industrial users, and Labor. Representatives of the Division of Production and Purchases will act as committee experts and contact points with those divisions. Advisers on price and consumer matters also will be available to the committees.

### Procedure in making application for Priority Certificates

*Prime Army or Navy Contracts.*—Ratings will be assigned by the contracting officers with respect to direct Army and Navy procurement. If a priority rating has not been obtained at any time by a Government supplier and he believes that a rating is necessary, he may request that a certificate be issued by the contracting officer or inspector with whom he is in contact.

If the prime contractor wishes that this rating be extended to his subcontractors, he should ask the Army or Navy inspector, or contracting officer, to fill out a priorities certificate. The Army or Navy official will only approve such an extension if the item purchased from the first subcontractor is on the critical list (a "list of items eligible to receive preference ratings"), and in no case will an extension of the rating be approved by these officers below the first subcontractors (those who sell their products directly to the the prime contractor) or for any items not on the critical list.

*All other contracts and orders* (including Army or Navy subcontractors below the first line).—Before making applica-



tion for a priority rating, every effort should be made to arrange for delivery of materials and equipment on the required dates through the use of commercial channels. Readjusting schedules, making full use of machinery, subcontracting, substitute materials, and processes are also urged. If these means fail, applications should be made to the Director of Priorities on the prescribed form. These forms may be obtained from all Federal Reserve offices and from Army and Navy field procurement and inspection officers or from the Director of Priorities, New Social Security Building, Washington, D. C.

The application form requires that the applicant substantiate his claim for preference rating to avoid harm to other parts of the defense program. When the application is received by the office of the Director of Priorities, it will be administered by the group executive in charge of the particular material and checked with the Purchase and Production Divisions for alternative solutions. The decision of all group executives will be routed through the central office to insure coordination. Priority Certificates will be issued by the Director of Priorities.

**General.**—The Priorities Division will seek to avoid the imposition of priorities wherever such imposition would needlessly conflict with civil and private activity, and, insofar as possible, action will be withheld until an actual shortage in connection with defense is imminent.

Requests for further information should be directed to:

DIRECTOR OF PRIORITIES,  
New Social Security Building,  
Washington, D. C.

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## Preferential treatment for defense requirements for a new stock of diamond dies; 6,000 available

Defense requirements for a new stock of diamond dies, to be made available to industry through the Defense Supplies Corporation, will be given preferential treatment over all nondefense needs, it was announced February 16 by E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management.

Allocation of the dies to defense industries will be put before the minerals and metals section of the Priorities Division for decision, Mr. Stettinius said.

## President's letter asking the chairman of the Maritime Commission to advise and assist him in assuring that our ocean shipping needs are cared for quickly

The United States Maritime Commission announced February 12 receipt of a letter from the President asking Chairman Land to advise and assist him in assuring that United States ocean shipping needs are cared for quickly and effectively.

The text of the letter follows:

MY DEAR MR. CHAIRMAN:

The successful conduct of the national defense program requires that our facilities for ocean transportation be fully coordinated; only in this way can maximum utilization of such shipping facilities be assured.

As chairman of the United States Maritime Commission, you are in a strategic position to advise and assist me in assuring that our ocean shipping needs are cared for in an expeditious and effective manner. Specifically, I shall wish your aid in respect to the following matters:

1. The analysis of the stated requirements of the War and Navy Departments, and other agencies of the Government, for merchant vessel tonnage and facilities needed for ocean transportation of foreign and domestic commerce in connection with national defense.

2. Advise with owners and operators of ships registered under the United States relative to shipping routes, movement of vessels, and character of cargoes as defense requirements may make necessary.

3. The coordination of plans for the acquisition and creation of additional

ships and facilities—(a) to carry the water-borne commerce of the United States, including the transportation of strategic and critical materials, and (b) to act as military and naval auxiliaries.

4. The preparation of recommendations pertaining to (a) the acquisition of additional tonnage under foreign registry to meet ocean tonnage requirements for national defense, and (b) requests by other countries or their nationals for assistance in obtaining additional tonnage.

I should like to receive from you regular reports concerning the availability and adequacy of oceangoing ships, and facilities for their operation, together with your recommendations. I particularly request that you give all assistance and cooperation to the Office of Production Management in expediting the shipment of materials which are essential to our production program. You will, of course, need to tie closely to the State Department on all matters involving foreign policy and relations.

Copies of this letter are being sent to the Secretaries of State, War, Navy, Treasury, and Commerce, and the Director General of the Office of Production Management. I am certain that these officials will inform you promptly of such problems as they may have involving ocean transportation, and will fully cooperate in facilitating the assistance that I am requesting of you.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Dr. E. M. Hopkins is section executive. The recommendations adopted will then be turned over to the Defense Supplies Corporation, which will handle all applications and the actual distribution.

### Obtained from Britain

Since not more than 6,000 dies are to be made available, it is expected that the demand for them will outrun the supply. This will raise allocation problems that the minerals and metals section will have to decide.

The dies being obtained from the British Purchasing Commission are small industrial diamonds. They are

classified as a critical material by the Army and Navy Munitions Board.

An acute shortage of the dies has developed in the industrial plants which use them for the drawing of fine wire, such as aluminum and tungsten, for the production of electric lights, radio instruments, fuses for shells, and delicate electrical measuring devices.

In preparation of diamond dies, a small hole is drilled through the center of the diamond with a fine needle and abrasive diamond dust. The smallest hole used is usually 0.0003 inch in diameter. The diamonds are set in disks for easy handling.

# DEFENSE HOUSING . . .

## Announcement of a sharp rise in the number of dwelling units for which public funds have been allocated; total is now 68,432

Defense Housing Coordinator Charles F. Palmer announces the following highlights in the defense housing field during the week ended February 8:

1. A sharp rise in the number of dwelling units for which public funds have been allocated;

2. Sustained activity in private industry as reflected by insuring operations of the Federal Housing Administration; and

3. Assignment by the Federal Works Administrator of 13,200 dwelling units to be built under the Lanham Act.

Mr. Palmer said the new units programmed by the Division of Defense Housing Coordination during the week brought the total number of dwelling units for which public funds have now been allocated to 68,432, an increase of 14,349 over the total number which had been programmed up until February 1.

### 369 completed

An additional 200 units were put under construction contract during the week and 369 were completed, he said.

The Coordinator announced that 13,060 of the total dwelling units for which funds were allocated last week were to house civilian industrial workers while 1,289 were to be for married enlisted personnel of the Army and Navy.

A summation of the work of each agency in the Defense Housing program showed:

### Navy

As of the end of last week, 16,935 units being constructed by the Navy were nearing completion. These units will be for families of enlisted personnel and civilian workers in industrial plants.

### Federal Works Agency

Federal Works Agency reported the letting of contracts for an additional 605 units, bringing to a total of 20,032 the number of units now under contract by FWA. Construction costs of the new units amounted to \$3,873,510, making a total of \$62,673,692 now under contract.

A contract was also being negotiated for the purchase of a USHA-financed

slum clearance project in Boston which will be used to house industrial workers in that locality. Negotiations are being conducted with the local Boston Housing Authority.

### United States Housing Authority

The United States Housing Authority has a total of 45 defense projects under its jurisdiction. It was announced that 2 of these have been completed; 17 are under construction; sites have been approved for 11, and sites are being selected for the remaining 15. Ground was broken on projects in Hartford, Conn., and Pensacola, Fla., during the past week.

### Federal Housing Administration

Federal Housing Administrator Abner H. Ferguson announced that home construction in general is showing gains up to 50 percent over last year, prompted partly, he said, by housing needs in defense industrial areas. He announced that for the week ending February 8 new homes started under FHA inspection totaled 2,755, compared with 2,363 the previous week, and that new-home mortgages selected for appraisal amounted to 3,835 as against 3,669 the week before.

It was also announced that participation of private lending institutions in the FHA program continued to broaden during 1940 with a total of 8,239 holding FHA-insured home mortgages in investment portfolios at the end of the year.

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## NAVY PROGRAM AHEAD OF SCHEDULE

Secretary Knox reports that "we are using every means and facility" to expedite the naval building program; that work on all war vessels, including dreadnoughts, is from 30 to 60 days ahead of schedule; that a program worked out by the Navy and Sidney Hillman, OPM Associate Director General, had been exceptionally efficient in finding skilled men for Navy Yard work, and that aircraft production and deliveries are "picking up."

### STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION FEBRUARY 8, 1941

	Funds allocated	Contracts awarded	Completed
Number of States and Territories.....	44	37	10
Number of localities.....	126	76	13
Number of projects.....	225	119	14
Number of family dwelling units.....	68,432	35,011	1,683
Civilian industrial workers.....	36,152	13,692	530
Other civilians:			
Employees of Army and Navy.....	8,683	5,013	644
Married enlisted personnel.....	23,567	16,306	509

### PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

	Week ended Feb. 8, 1941	Previous week
New homes started.....	2,755	2,363
New home mortgages selected for appraisal.....	3,835	3,669

## Contract for the construction of 13 shipbuilding ways under the emergency program

The Maritime Commission announced February 10 clearance with the National Defense Advisory Commission and award of a contract for construction of 13 ways and other shipbuilding facilities involving an estimated Government investment of \$7,838,000. The contract was awarded to Bethlehem-Fairfield Shipyard, Inc., Baltimore, Md.

The shipyard facilities are to be used for construction of part of the 200 merchant ships under the emergency shipbuilding program authorized by Public Law No. 5. Plant facilities will be installed at cost.

Five other contracts have been let for 32 ways and other facilities at a cost of \$20,695,500.

NOTE.—The Division of Coordination of National Defense Housing is, by Executive order, in the Office for Emergency Management of the Executive Office of the President.

## Excerpts from an address by the assistant to the Housing Coordinator before the 15th annual Hampton Builders Conference

The following are excerpts from a special address by Carl Henry Monsees, executive assistant to the Defense Housing Coordinator, Charles F. Palmer, before the 15th annual Hampton Builders Conference at Hampton Institute, Hampton, Va., February 12:

\* \* \* This vast effort for defense must derive its energy from manpower. In a recent public statement, Mr. Sidney Hillman, Associate Director General of the Office of Production Management, declared that "more than 3½ million man-years of skilled worker time will be required to meet the needs of the defense program, thus far authorized by Congress, while the total labor needs—skilled and unskilled—will be in excess of 8½ million man-years."

### Must safeguard labor

Such figures give us an impressive concept of the important part which man still plays in an age of machinery. We must, therefore, utilize our manpower to its fullest, and safeguard it so that it may operate to its maximum efficiency.

In calling up the tremendous reserves of this country, attention must be given to the welfare and happiness of the workers who will be devoting their energies to the defense program. A primary consideration must be the adequate and comfortable sheltering of these workers \* \* \*.

\* \* \* On July 22, the newly appointed Housing Coordinator came to Washington to develop the pattern of a program for which at that time there were no funds. Though there were no funds, there were established Federal housing agencies, prepared and willing to build American homes \* \* \*.

### Housing figures

\* \* \* Today, although scarcely 4½ months have elapsed since Congress appropriated funds, defense housing projects are already in various stages of completion throughout the country.

For example, 35,000 federally financed housing units are now under construction or completed in 76 areas; and 33,000 more have been approved and are in process of land acquisition and negotiation of contract in 51 more places. Of these 68,000 houses, 45,000 are for civilian

workers, and 23,000 for families of enlisted personnel. These figures represent only those projects being constructed with public funds. They do not take into account the thousands of units being constructed through the ordinary channels of private enterprise \* \* \*.

\* \* \* And let me pause at this point to assure you that where our studies indicate that the need for housing is for Negro workers, such housing will be provided. Those agencies of the Government which are engaging in large-scale defense activities are fully aware of the important contributions which Negro workers are making to total defense, and they have taken steps to insure that this fine source of manpower is fully utilized.

### No discrimination

John M. Carmody, Administrator of the Federal Works Agency, recently issued the following regulation governing all contracts let by the agencies of the Federal Works Agency:

"There shall be no discrimination by reason of race, creed, color, or political affiliations in the employment of persons, qualified by training and experience, for work in the development of defense housing at the sites thereof." \* \* \*

\* \* \* Far reaching as our present program is, however, it does not now appear that it will be sufficient. With present appropriations now practically exhausted, and reports pouring in daily of the need for more and more housing, new plans have had to be devised \* \* \*.

\* \* \* In the meantime, we are endeavoring, by various preventive means, to avoid where possible the development of housing shortages. Employers are being urged to utilize all available labor reserves within the localities and thus forestall large migrations of workers into communities where living quarters cannot be found to care for the overflow.

### Improved transportation

Improved roads and transportation facilities also make it possible to utilize communities within comfortable commuting distance of defense localities.

The establishment of Homes Registrations Bureaus in all defense localities will make possible the fullest utilization of

existing vacancies and will provide a central point where workers may obtain information about available accommodations. Each bureau will serve all races and nationalities in its locality \* \* \*.

\* \* \* I am unable to do more than remark upon the splendid work which is being done by other divisions of defense in safeguarding the welfare of our citizen workers. Such work includes that which Miss Harriet Elliott's division is doing in the interest of the citizen as consumer, and the contributions which the Health and Welfare Division of the Federal Security Agency are making toward the provision of adequate health and recreational facilities \* \* \*.

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## Argentine national council is organized as part of program to stimulate trade between American Republics, Mr. Rockefeller announces

Membership of the Argentine national council, the second of 21 councils being established by the inter-American Development Commission in its program for stimulation of trade between the American Republics, was announced February 14 by Nelson A. Rockefeller, chairman.

### Membership

The council will have as its chairman Dr. Raul Prebisch, general manager of the Banco Central, who sailed for home last week after 2 months in the United States in which he assisted in arranging a credit of \$110,000,000 extended by the Export-Import Bank and the Treasury Department to Argentina.

Arrangements for establishment of the council were completed in Buenos Aires. Members in addition to Chairman Prebisch include:

Luis Colombo, president, Union Industrial Argentina; Dr. Alejandro Shaw, president, Confederacion Argentina del Comercio, la Industria y la Produccion; Arnaldo Massone, prominent businessman; and Dr. Aldo Bioy, president, Sociedad Rural Argentina.

Dr. Raul C. Migone, chief of the Office of International Unions, Ministry of Foreign Relations, Buenos Aires, is secretary of the council. John C. McClintock, of the Coordinator's Office, is executive secretary of the parent Commission.

# HEALTH AND WELFARE . . .

## Interdepartmental committee of officials of Federal agencies working in the fields of health and welfare to advise Mr. McNutt; coordination by field staffs

Federal Security Administrator Paul V. McNutt announced February 11 appointment of an Interdepartmental Advisory Committee, composed of officials of various Federal agencies working in the fields of health and welfare, to assist and advise him in coordinating all health, medical care, welfare, nutrition, recreation, and related activities affecting national defense.

At the same time, the Administrator said the field staffs of various governmental agencies would also play an important part in securing effective coordination of these programs.

He explained he had established 12 Federal Regional Advisory Councils made up of the field representatives of all Federal agencies participating in these activities, and that he had designated the 12 regional directors of the Social Security Board as Regional Defense Coordinators.

### Regional council chairmen

These coordinators, he said, will act as chairmen of the Regional Advisory Councils and maintain the relationships in these fields with the State Defense Councils in their respective regions.

Mr. McNutt declared he was now setting up a small staff within his office to assist him and Assistant Coordinator Charles P. Taft (see page 13) to coordinate health and welfare and related defense activities. This staff is headed by Miss Gay Shepperson, former Work Projects Administrator for Georgia.

The Federal agencies and their representatives composing the Interdepartmental Advisory Council include: Arthur Altmeyer, Chairman, Social Security Board; Aubrey Williams, Administrator, National Youth Administration; J. J. McEntee, Director, Civilian Conservation Corps; J. W. Studebaker, Director, Office of Education; Dr. Warren Draper, Acting Surgeon General, Public Health Service; C. B. Baldwin, Administrator, Farm Security Administration; M. L. Wilson, Director, Extension Work; Milo Perkins, Administrator, Surplus Market-

ing Administration; Dr. Louise Stanley, Chief, Bureau of Home Economics; John M. Carmody, Administrator, Federal Works Agency; Howard O. Hunter, Acting Commissioner, Work Projects Administration; Frances Perkins, Secretary of Labor; Katherine Lenroot, Chief, Children's Bureau; Conrad Wirth, of National Park Service; Harold W. Breining, Assistant Administrator, Veterans' Administration; Charles W. Eliot, Director, National Resources Planning Board; and following members from the Advisory Commission to the Council of National Defense—Frank Bane, Director, Division of State and Local Cooperation; Charles Palmer, Housing Coordinator; J. B. Hutson, Agriculture Division; Sidney Hillman, Labor Division; Harriet Elliott, Consumer Protection Division.

### Names of coordinators

The Regional Defense Coordinators and the States comprising their regions are as follows:

John F. Hardy, with headquarters in Boston, will be the regional coordinator for Region I, comprising the States of Maine, Vermont, New Hampshire, Connecticut, Rhode Island, Massachusetts, and Connecticut.

Mrs. Anna Rosenberg, with headquarters in New York City, will be the regional coordinator in Region II, which takes in New York State exclusively.

The regional coordinator in Region III, comprising the States of New Jersey, Delaware, and Pennsylvania, will be W. L. Dill, with headquarters in Philadelphia.

Region IV coordinator will be G. R. Parker, with headquarters in Washington, D. C. This region comprises the States of Maryland, North Carolina, West Virginia, Virginia, and the District of Columbia.

Region V, Robert C. Goodwin, headquarters in Cleveland, Ohio, comprising the States of Ohio, Kentucky, and Michigan.

Region VI, H. L. McCarthy, headquarters in Chicago, Ill., comprising the States of Illinois, Indiana, and Wisconsin.

Region VII, Richard H. Lyle, headquarters in Birmingham, Ala., comprising the States of Alabama, Florida, Georgia, Mississippi, South Carolina, and Tennessee.

Region VIII, Fred M. Wilcox, headquarters in Minneapolis, Minn., comprising the States of Minnesota, Iowa, Nebraska, North and South Dakota.

Region IX, Ed McDonald, headquarters in Kansas City, Mo., comprising the States of Missouri, Arkansas, and Oklahoma.

Region X, James B. Marley, headquarters in San Antonio, Tex., comprising the States of Texas, Louisiana, and New Mexico.

Region XI, Heber R. Harper, headquarters in Denver, Colo., comprising the States of Colorado, Arizona, Idaho, Montana, Utah, and Wyoming.

Region XII, Richard M. Neustadt, headquarters in San Francisco, Calif., comprising the States of California, Nevada, Oregon, and Washington.

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## Assignment of Miss Mary Barber to assist in preparation of Army menus; request of the Quartermaster General

At the request of the Quartermaster General, Miss Mary I. Barber, food consultant to the Office of Production Management, has been assigned the task of assisting in the preparation of Army menus.

In this work she will collaborate closely with the subsistence branch, supply division of the Office of the Quartermaster General. At an early date she will visit many Army camps throughout the country to make a thorough study of menus now in use.

Miss Barber, who is president of the American Dietetic Association, has been loaned to the Office of Production Management by the Kellogg Co., of Battle Creek, Mich., in whose employ she has held the jobs of dietitian, cooking teacher, demonstrator, and home economics director.

## Appointment of Mr. Charles Taft as assistant coordinator to Mr. Paul V. McNutt

Federal Security Administrator Paul V. McNutt announced February 10 appointment of Charles P. Taft of Cincinnati, Ohio, as assistant coordinator of all health, medical care, welfare, nutrition, recreation, and related activities affecting national defense.

Mr. McNutt said that Mr. Taft, in accepting the appointment, had consented to remain in Washington 9 months.

The Administrator stressed importance of stimulating immediate local action to meet the needs in these fields growing out of the defense program, and the responsibility of the Federal, State, and local agencies of Government as well as private agencies to combine their resources and efforts in the solution of these new problems.

### Regional machinery

"Not only must there be national planning," Mr. McNutt explained, "but machinery must be established regionally through which the Federal agencies can work together in giving all possible assistance to State and local public agencies operating in these fields in mobilizing community resources, both public and private, to meet these new needs."

Mr. McNutt said three objectives are to be gained by the mobilization of all public and private health, medical, welfare, nutrition, and recreation sources to meet the needs of this emergency.

They are:

1. To afford social protection to individuals and communities suffering disproportionate economic, social, and health burdens as a result of military, naval, and industrial defense activity.
2. To assist civilian agencies and individuals in making an effective contribution to the health, welfare, and morale of men engaged in the military and naval service.
3. To promote the health, security, and morale of the civilian population as an essential part of effective defense.

### Mobilize all resources

The Cincinnati attorney and son of the former President of the United States, William Howard Taft, will assist Mr. McNutt in formulating and executing plans, policies, and programs designed to mobilize all resources in the fields of health, welfare, nutrition, and recreation to the Nation during this emergency.

## Office of Education reports vocational training program well ahead of schedule with indications that 1,000,000 persons will complete training for defense occupations by June 30, 1941

Reports from all States received by the United States Office of Education show that regular and defense vocational school training is ahead of its scheduled program.

Plans formulated last year called for the training of 700,000 workers for defense industries by June 30, 1941. A report to Paul V. McNutt, Federal Security Administrator, from John W. Studebaker, United States Commissioner of Education, indicates that, if present trends continue, about 1,000,000 persons will have been trained for defense occupations by June 30, 1941.

During the first 6 months ending January 1, 1941, records show 325,000 trained or in training in the rapidly expanding vocational educational program.

### 24-hour schedules

More than 800 of the 900 cities with vocational trade and industrial schools are making their facilities available for defense training. More than 300 cities have put their vocational schools on 24-hour, 6-day-week schedules.

### Regular enrollments also record-breakers

Enrollments in the regular vocational education program are highest in history. They total approximately 2,000,000. A large proportion of the occupational training in the regular program is directly useful to defense industry needs.

Trade and industrial education alone enrolls more than 750,000, including hundreds of apprentices who attend part-time. Youth in these courses receive basic and related training in such defense-vital skills as pattern-making, welding, sheet metal, drafting, machine shop, electricity, and auto mechanics.

### Regular and special classes

The total number who will be served by various vocational education courses during the coming year will be in excess of 3,000,000.

Vocational schools, Commissioner Studebaker reported, are serving more vari-

eties of needs than ever before in their 23-year history. These include:

Preemployment refresher short courses to prepare workers selected from public employment office rolls for defense industry occupations.

Refresher courses for WPA workers with previous industrial training or experience to fit them for defense industry occupations.

Supplementary courses, largely in the early evening, for defense workers already employed but in need of additional training.

Regular day-school instruction to youth preparing for skilled trades.

Part-time related training for apprentices.

Training for youth on NYA work projects.

Extension training for workers in occupations other than defense occupations.

Training for out-of-school farm and town youth in introductory trade and industrial courses.

Short course training of Army personnel in auto mechanics, cookery, clerical, and other occupations.

Regular agricultural education.

Regular home economics education.

Business education stressing training for distributive occupations.

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## Joint Army and Navy committee on welfare and recreation

The War Department announces establishment of a joint Army and Navy committee on welfare and recreation with Frederic H. Osborne of New York as chairman.

The committee will advise the War and Navy Secretaries on all matters pertaining to recreation and welfare of military and naval personnel. It will work in close cooperation with private agencies and Charles P. Taft, assistant Federal coordinator of health, medical care, welfare, nutrition, recreation, and related activities.

# STATE AND LOCAL COOPERATION . . .

## Report of the organization of 42 county councils in South Carolina; State-wide consumer committee

The South Carolina defense council, of which Dr. William P. Jacobs of Clinton is chairman, reports that by February 12, 42 county defense councils had been organized. Similar local councils are to be set up in the remaining counties, according to Maj. G. Heyward Mahon, Jr., of Greenville, who is director of the State defense council.

A State committee of six women, designated as the committee on consumer interests, was set up on February 4 at a meeting of State-wide women's organizations, called by the State council for national defense. Mrs. A. Foster McKisick of Greenville was elected chairman. This committee expects to work locally with the consumer representatives to be appointed by the county defense councils.

Of the 42 county defense councils, those in 4 areas are particularly con-

cerned with community problems arising out of military concentrations. These areas are in Beaufort, Charleston, Richland, and Spartanburg Counties. Here the local defense councils are working with State and Federal agencies toward provision of necessary housing, health, recreational, and other facilities.

Local defense councils have been organized in the following 42 counties: Abbeville, Aiken, Anderson, Bamberg, Barnwell, Beaufort, Calhoun, Charleston, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Dorchester, Edgefield, Fairfield, Florence, Georgetown, Greenville, Greenwood, Hampton, Horry, Kershaw, Lancaster, Laurens, Lee, Lexington, McCormick, Marion, Marlboro, Newberry, Oconee, Orangeburg, Pickens, Richland, Spartanburg, Sumter, Union, Williamsburg, and York.

## First meeting of War Department insurance committee; formed to advise on insurance matters pertaining to building program

The initial meeting of the advisory committee on insurance for the War Department was held February 10-11. The committee is composed of George S. Van Schaick, formerly superintendent of insurance of the State of New York, and now vice president of the New York Life Insurance Co., chairman; Prof. S. S. Huebner, Wharton School of Finance of the University of Pennsylvania; Prof. Ralph H. Blanchard, of Columbia University; and Prof. George K. Gardner, of the Harvard Law School, who is serving on the committee in lieu of Dean James M. Landis, Harvard Law School, as previously announced.

This committee, formed to advise on all insurance matters pertaining to the present War Department construction pro-

gram, at this first meeting heard certain representatives of national mutual and stock insurance organizations. Mr. C. W. Fairchild, general manager of the Association of Casualty and Surety Executives, was spokesman for the stock companies, while Mr. A. V. Gruhn, general manager of the American Mutual Alliance, represented the Mutuals.

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## Arrangements for loan to China against which the U. S. will buy strategic defense materials

Federal Loan Administrator Jesse Jones announces that arrangements have been completed on a \$50,000,000 loan to China, against which the United States is purchasing \$60,000,000 worth of strategic defense materials from China, including \$40,000,000 in tin, \$10,000,000 in tungsten, and \$10,000,000 in antimony for delivery over a period of several years.

## Louisiana defense council's aid in survey of New Orleans

The defense council of Louisiana has been cooperating recently in a survey in New Orleans, and has assisted in the organization of local or district councils in 19 communities, according to a report. Chairman of the State council is Col. L. Kemper Williams.

Through a committee known as the Parish of Orleans Emergency Research Committee appointed by the Mayor of New Orleans and headed by Mr. Crawford H. Ellis, vice chairman of the State defense council, the State council actively supported a project sponsored by the city of New Orleans, to make a complete survey of all facilities and utilities of the city and to coordinate information of every character which might be used in the defense of the city of New Orleans. Several other projects have been recommended as necessary to national defense.

The council has been instrumental also in bringing together State and New Orleans municipal authorities with a view to initiating local food broadcasts to housewives as a deterrent to unwarranted price rises in commodities.

In cooperation with municipal authorities and social agencies, the council is devoting attention to securing welfare and recreational and other facilities, especially in areas where there are military or industrial concentrations.

Official local or district defense councils have been established in the following communities: Alexandria, Amite, Baton Rouge, Covington, Crowley, Deridder, Donaldsonville, Franklinton, Houma, Jennings, Lafayette, Lake Charles, Monroe, Natchitoches, New Iberia, Opelousas, Ruston, Shreveport, and St. Martinville.

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## STUDY OF BRAZIL'S MINERALS

Mr. Frank Pardee, former geologist and mining expert for the State of Michigan, is being sent by the Bureau of Mines, United States Department of the Interior, to Rio de Janeiro, where he will study problems connected with the extraction and shipment of minerals out of Brazil.



## Opportunity for 1,000 young men a month to enter Navy flight training leading to commission

Secretary of the Navy Knox announced that, effective February 15, opportunities were open for approximately 1,000 young men a month to enter flight training in the Navy as aviation cadets, leading to commissions as ensigns in the Naval Reserve and assignment to flying duty with the United States Fleet.

Candidates must be between their twentieth and twenty-seventh birthdays at the time of appointment, and must be unmarried.

They must be college graduates or must have completed not less than 2 full years of credits at a recognized 4-year college. However, consideration may be given to the applications of mature young men who have acquired the equivalent of the college requirements, provided they possess officer qualifications. Such candidates must have completed at least one-quarter of the credits required for graduation from a recognized college; and must have had at least 3 years' experience in a responsible administrative or executive position in civil life.

### Twofold need

The need for the increased number of aviation cadets in the Navy is twofold: (a) Because approximately 15,000 trained Navy pilots will be necessary to man the 10,000 planes contemplated in the Navy's long-range aeronautical program, and (b) because upon commissioning of the newest Navy flight training center at Corpus Christi, Tex., about March 12, the Navy will operate 3 great flight training centers at Pensacola, Fla., Jacksonville, Fla., and Corpus Christi, Tex. It is expected that these 3 centers will receive a total monthly quota of approximately 800 student aviators.

Candidates for this training may apply at any of the 313 Navy recruiting stations and substations throughout the country. If selected they will go to one of 13 Naval Reserve aviation bases for preliminary flight training for about 30 days. These bases are located at Boston, Mass.; New York, N. Y.; Philadelphia, Pa.; Miami, Fla.; Detroit, Mich.; Chicago, Ill.; Minneapolis, Minn.; St. Louis, Mo.; Kansas City, Kans.; Long Beach, Calif.; Oak-

# TRANSPORTATION . . .

## Little interference to civilian motorists in movement of 260th Coast Artillery from Washington, D. C., to Ft. Bliss, Tex.—108 vehicles took part

Traveling on a carefully planned schedule, a convoy of the Two Hundred Sixtieth Coast Artillery recently moved from Washington, D. C., to Fort Bliss, Tex., with very little interference to civilian motorists on the public highways, it is reported by Mr. Ralph Budd, Commissioner in charge of the Transportation Division, National Defense Advisory Commission.

The troop convoy, which consisted of 505 officers and enlisted men, and 108 reconnaissance cars, motorcycles, and trucks, was accompanied by representatives of the American Automobile Association.

The movement was broken into two serials. Each serial was further divided into batteries, moving approximately 15 minutes apart, so that in one group there were only 20 to 30 vehicles.

Vehicles were spaced 300 or more feet apart. The few traffic tie-ups that oc-

curred seemed to be due to lack of information on the part of civilian motorists as to whether it is permissible to pass Army convoys. It is believed that the posting of "Passing is Permitted" signs on the last vehicle in the column will remedy this situation.

Passing through cities, the columns of the Two Hundred and Sixtieth Coast Artillery broke ranks and traveled with police escorts, routing around the central business districts and causing a minimum of interference to civilian traffic.

### Rail transportation for the services during January

Without disturbing regular traffic, more than 207,000 officers and men of the Army, Civilian Conservation Corps, Marine Corps, and Navy, as well as draftees, were transported by the railroads in January.

Of this number, 132,080 were transported on 385 special trains throughout the country. The remainder were handled on regular trains during the month.

The movement of these men required 633 routings, which were made by the individual railroads in cooperation with the military transportation section of the Association of American Railroads.

Of the 385 special trains operated last month, 297 were necessary to handle 103,303 officers and enlisted men of the Army; 70 were required for the movement of 22,478 members of the Civilian Conservation Corps; 7 for the movement of 4,376 members of the Marine Corps, and 11 for the movement of 1,923 members of the Navy.

In addition to these special train movements, 15,923 service men were carried on regular trains. The railroads also transported in January 59,075 selectees who were moved in small parties on regular trains from induction stations to reception centers.

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land, Calif., and Seattle, Wash. Three new Reserve aviation bases will shortly be commissioned at Atlanta, Ga.; New Orleans, La.; and Dallas, Tex.

### 4-year service

If the preliminary flight training course is completed successfully, the student fliers will be transferred to Pensacola, Jacksonville, or Corpus Christi, where they will be appointed as aviation cadets.

Aviation cadets will be furnished all necessary uniform equipment and will receive pay and allowances amounting to \$105 per month. Upon being commissioned as ensigns in the Naval Reserve, their pay and allowances amount to approximately \$245 per month.

Candidates accepted for appointment as aviation cadets in the Naval Reserve are required to sign an agreement to serve for 4 years on active duty unless sooner released by the Navy Department.

# AGRICULTURE . . .

## Mr. Gregory's task of analyzing as rapidly as possible all facts pertaining to U. S. agricultural supplies; close cooperation with the Priorities Division

Clifford V. Gregory, associate publisher of *Wallace's Farmer*, Des Moines, Iowa, has been appointed to head the priorities section of the Agricultural Division of the National Defense Commission, Chester C. Davis, Agricultural Commissioner, announced February 13.

Mr. Gregory has been one of the Nation's outstanding farm leaders for many years, and was awarded the American Farm Bureau Federation's medal for distinguished service to American agriculture for 1940. He is director of the Federal Reserve Bank of Chicago.

He was formerly the editor and vice president of the *Prairie Farmer* for 26 years, and one of the founders of the Agricultural Broadcasting Company.

### To analyze supply

As chief of the priorities section for Agriculture, Mr. Gregory will work in close cooperation with E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management. He will make a thorough study and analyze all the facts pertaining to agricultural supplies as rapidly as possible.

"Agriculture has a direct interest in practically all priorities," Mr. Gregory said.

"Just how deep that interest is does not seem to be fully understood even by many people whose primary interest is farming.

"For example, farmers are deeply interested in the tinplate situation as it affects them directly through the canning industry.

"At the present time there is a tight situation in the production and utilization of zinc. This is an immediate farm problem since zinc is used in the manufacture of fences, roofing, pails, utensils, chicken feeders, brooders, and numerous other items.

### Available substitutes

"One of our first steps will be an analysis of substitutes that may be

available to the farmer. It is possible to substitute other types of roofing for galvanized roofing, but substitutes for many other items in constant use on the farm are not so simple. Much research has been done on the substitution of a plastic coating on black plate instead of tin for use in the canning industry.

"In all probability, this research will lead to development of satisfactory procedure for fabricating containers for food. Although drastic changes may be necessary in our canning procedure, it is believed the problems are not insurmountable.

### Looking ahead

"Spring supplies of fertilizer appear to have been taken care of since our information is that more than 75 percent of the farmers' requirements are now in the hands of dealers with sufficient reserve on hand to supply any emergency demand.

"We are now looking ahead to next fall or spring in order to foresee and forestall, insofar as possible, any situation that might react to the disadvantage of our farmers."

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## Representative of Agriculture Division on the committee on export licensees—Dr. Galbraith

Dr. J. K. Galbraith, former chief economist of the Farm Bureau Federation, has been appointed to represent the Agricultural Division of the National Defense Commission on the inter-Departmental Committee on Export Licensees, Chester Davis, Agricultural Commissioner, announced this week.

Dr. Galbraith will serve in an advisory capacity to Brig. Gen. Russell L. Maxwell, administrator of export control, on the granting of export licensees affecting agriculture.

Dr. Galbraith is on leave of absence from Princeton University, and is a for-

mer member of the faculty of Harvard University. During 1937-38, he was a Fellow of the Social Science Research Council of Cambridge University.

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## Three appointments to the food supply section of the Division of Agriculture—announcements by Commissioner Chester Davis

Gerald Thorne, of Wilson & Company, Chicago, has been appointed a consultant for the food supply section of the Agricultural Division, according to an announcement February 13 by Chester Davis, Agricultural Commissioner.

Mr. Thorne will serve as a consultant for the meat and meat-products section, with particular attention to production and facilities for storing, warehousing, processing, and distribution.

Prior to his connection with Wilson & Company, Mr. Thorne had served the Government as chief of the livestock section of the Agricultural Adjustment Administration, and also as an economist with the Bureau of Agricultural Economics.

### Mr. Jesse W. Tapp

Jesse W. Tapp, vice president of the Bank of America, is returning to Washington to serve as consultant on food supply problems, it was announced February 13. Mr. Tapp assisted Mr. Davis in the organization of the Division.

Mr. Tapp has been prominent in the field of agriculture for many years. He joined the Department of Agriculture as an economist in the Bureau of Agricultural Economics in 1920. He later became assistant administrator of the Agricultural Adjustment Administration in charge of marketing agreements. He was also president and director of the Federal Surplus Commodities Corporation and director of the Federal Crop Insurance Corporation.

### Mr. J. N. Chilton

J. N. Chilton, head of the grain department of the Archer-Daniels-Midland Company of Minneapolis, Minn., has joined the Agricultural Division as consultant on the grain situation and the storage problem.

# DEFENSE

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## Analysis of the use of spiegel as ferromanganese substitute

Use of spiegel as a substitute for ferromanganese, and emergency conservation of manganese through consumer-producer cooperation were analyzed in a report made public February 21 by John D. Biggers, Director of the Production Division, Office of Production Management.

Twenty percent of the consumption of ferromanganese could be saved by emergency conservation, according to the report, prepared by the technologic committee on manganese of the National Academy of Sciences.

This committee, made up of ranking scientists, was appointed on July 25 to review projects for the development of new processes for recovery of manganese from low-grade domestic ores.

In discussing substitution of spiegel for ferromanganese, the committee pointed out that certain domestic ores are available for production of spiegel, and production facilities could be built in sufficient time to cover the emergency. Spiegel is an alloy containing about 20 percent manganese.

In making public the reports, Director Biggers commended the technologic committee on their fine research work on substitutes for critically needed manganese, and their work toward conserving the present supply.

## Mr. Hillman's statement before the House Judiciary Committee; recital of the facts concerning defense employment and strikes

Following is the statement prepared by Sidney Hillman, Associate Director General of the Office of Production Management, for delivery before the House Judiciary Committee, February 20:

I am happy to have this opportunity to render whatever assistance I can in your study of what is certainly one of the most important questions of our time: The swift and uninterrupted production of materials needed for national defense.

Unless we fulfill every need of our defense program—completely and without stint—we will not be able to strengthen and to preserve democracy in this hour of its greatest peril.

### Depends on coordination

The steady flow of tanks, guns, ships, and planes depends directly upon the ability of both management and labor to coordinate their efforts to assure uninterrupted production and the fullest utilization of both plant capacity and human skill. We can achieve this only when employer-employee relations are harmonious and cooperative. The problem facing us is how best to insure that harmony and that cooperation.

To get a sound answer to that question and to throw some light on legislation now pending before your Committee, it becomes necessary briefly to review the essential facts. A full catalog would exceed your reasonable patience.

At the present time, 37,200,000 persons are employed in the nonagricultural industries of this country. This number is 2,200,000 greater than in May of 1940, when the President submitted his recommendations to the Congress for the defense program. The number of wage

earners employed in the manufacturing industries alone is 9,200,000. This represents an increase of 1,100,000 since last May. This increase, arising primarily from defense activity, is the greatest that has occurred in any similar period on record.

### Increase in employment

During the life of the defense program, not only has employment in American industry increased, but the actual man-hours of employment have grown at a faster rate than at any time within this generation. Large numbers of workers in heavy manufacturing industries—vital to the defense effort—are working 50 and 60 hours per week. In machine tools, the average is approximately 51 hours. Many plants are working from 55 to 56 hours per week and some more than 60. Two years ago these same plants averaged less than 40 hours per week.

I mention these facts because the record reveals that every period of rapid increase in business activity has been accompanied by an appreciable increase in the number of labor disputes and strikes.

Now, what has been the record of the past 7 months of the defense effort marked by this tremendous increase in business activity, as far as labor relations are concerned? In contrast to similar periods of increased employment in the past, the last 7 months stand out sharply in the following respects:

### Comparison with 1939

1. For the first time in our industrial history, employment has increased sharply without an increase in the number of strikes. In fact, the number of man-days of idleness by reason of strikes in the last half of 1940 was 40 percent

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## NATIONAL DEFENSE ADVISORY COMMISSION

RALPH BUDD, *Transportation*.

CHESTER DAVIS, *Agriculture*.

HARRIET ELLIOTT, *Consumer Protection*.

LEON HENDERSON, *Price Stabilization*.

SIDNEY HILLMAN, *Labor*.

WILLIAM S. KNUDSEN, *Industrial Production*.

EDWARD R. STETTINIUS, *Industrial Materials*.

FRANK BANE, *State and Local Cooperation*.

ROBERT W. HORTON, *Information*.

STACY MAY, *Research and Statistics*.

PAUL V. McNUTT, *Coordinator of Health, Welfare and Related Defense Activities*.

WILLIAM H. McREYNOLDS, *Secretary of the Commission*.



NELSON ROCKEFELLER, *Coordinator of Commercial and Cultural Relations Between the American Republics*.

## ARMY DAY, APRIL 7

Since April 6, originally set as Army Day by the Military Order of the World War, falls on Sunday, celebrations this year will be on Monday, April 7, 1941. The Secretary of War has urged all arms and branches of the Army to give cordial and enthusiastic support to the celebration. Cooperation in the form of reviews, open house celebrations, ground exhibits, and other features, has been suggested to all unit commanders.

## Priority principle applied to nickel steel production on the basis of voluntary cooperation may alleviate necessity of formal priorities

A program designed to ease the present tightness in the supply of stainless steel and other nickel steels essential in defense industries has been inaugurated by the Priorities Division of the Office of Production Management and the leading steel producers.

E. R. Stettinius, Jr., Director of Priorities, announced that at a meeting in New York at which the Division was represented by Samuel S. Stratton, of the Minerals and Metals Priority Section, the producers agreed to take two steps:

1. To give first call on stainless steel and other nickel steels to defense industries.

2. To consult with and give technical advice to their customers, in both the defense and nondefense spheres, in an effort to help them conserve the use of nickel steels wherever possible.

Representatives of the producers said they felt there were a number of cases in which the shortage of nickel might be relieved to some extent through changes in order specifications.

### Substitutions and acquisition of working stocks recommended

There are cases, for example, in which high nickel steel now being specified could be supplanted by steel alloys containing a lesser amount of nickel. It was agreed at the conference in New York that the shortage in the supply of nickel, which comes almost wholly from Canada, was largely responsible for the tight situation in the supply of stainless steel and allied products.

The program designed to ease the nickel situation, as announced Feb. 20, is subject to further review, and in this connection the producers are being asked to furnish the Priorities Division with specific information as to their present stocks of nickel, their anticipated requirements, their rates of consumption, and their delivery schedules.

The effect of the program is to apply the priority principle to nickel steel production in an informal way and on the basis of voluntary cooperation. It is expected that this may mean some diminution in the supply of these products for ordinary civilian channels. If these steps are successful, the imposition of formal priorities may be avoided.

## Priority committees appointed for rubber and for hides, skins, and leather

Creation of two new priority committees, one for rubber and one for hides, skins, and leather, was announced February 21 by E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management.

The personnel of these committees follows:

**Rubber**—A. L. Viles, president of the Rubber Manufacturers' Association, New York City (producers' representative); Maj. G. K. Heiss (Army representative); Commander H. M. Shaffer (Navy representative); W. L. Finger (consultant from the Production Division). A representative of the industrial consumers is to be appointed shortly.

**Hides, skins, and leather**—Ralph Pope, president of the Northwestern Leather Co. Trust, Boston, Mass. (producers' representative); B. A. Gray, President of the International Shoe Co., St. Louis, Missouri (industrial consumers' representative); Commander F. P. Delahanty (Navy representative); Lt. Col. Robert McG. Littlejohn (Army representative); M. A. Watson (consultant from the Production Division).

The committees, which are advisory in character, come under the General Products Group, of which W. E. Wickenden is the executive. He will serve as chairman of both.



## Two new appointments for Division of Priorities

The appointments of Philip D. Reed, chairman of the Board of the General Electric Co., as a consultant, and the addition of Ralph G. Farrell, chairman of the Board of the Fairmont Aluminum Co., Fairmont, W. Va., as producers' representative on the Aluminum and Magnesium Priority Committee, were announced February 21 by E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management.

Mr. Reed received a degree in electrical engineering at the University of Wisconsin in 1921, and was granted his LL.B. from Fordham University in 1924. He was vice president and patent counsel for Van Heusen Products, Inc., from 1922 to 1926, when he joined the staff of the General Electric Co. as a member of the law department. He was made chairman of the Board in 1940.

## January plane deliveries; subassemblies for airplanes; labor situation on defense work—discussed by Mr. Knudsen at press conference

Following is a partial transcript of a press conference held by Mr. William S. Knudsen, Director General of the Office of Production Management, on February 19.

### Airplane deliveries for January

Previous to the conference, the OPM announced that during January, 1,036 airplanes were delivered by United States manufacturers to the Army, Navy, British, other governments, and commercial airlines. Of these, 957 were delivered to the Army, Navy, and the British.

This announcement was discussed during the early portion of the conference. Mr. Knudsen said that the 1,036 figure represented actual deliveries. He said 26 of the planes are commercial craft and that he hoped the rate of production would pick up in the spring.

Replying to a question as to whether the United States would be producing 1,500 or 2,000 planes a month by the middle of the summer, he said that this is a "little too optimistic."

"I think if we can get 18,000 planes this year we will be doing all right," Mr. Knudsen said. Mr. Knudsen then explained the proposal that the Ford Co. do subassemblies for airplanes. This would be a subcontract and is still being considered. The contract, Mr. Knudsen said, would be with the Army; plant has been approved by the OPM.

(In the material that follows, the "Q" represents a reporter's question; the "A" denotes Mr. Knudsen's reply.)

### Educational contracts for airplane production

Q. It is not clear yet, Mr. Knudsen, who is handing out this experimental contract to Ford—is it the prime contractor?

A. The Air Corps. Let me explain this whole thing. If we approach a man to make a thing that he hasn't made before, we give him what is called an educational or experimental contract. With that he makes a certain amount of tools and facilities so as to be able to produce the piece. You understand he might need a building; he might need jigs; he might need machines. As soon as that is done and is under way and it is feasible to

take the contract for the pieces, then we put him in touch with the prime contractor which in this case is Consolidated and Douglas. On the B-25, it is North American and General Motors. On the B-26, Martin, Chrysler, and Goodyear are tied up. So we have people with lots of present facilities and lots of machines that we could put to work on these subassemblies and send them out to these assembly plants where we put them together and fly them away, but the designer of the plane—the father of the plane must be responsible for the plane's performance—that is his contract with the government. In other words if the thing won't fly, it is his fault and nobody else's.

Q. When will we get production on these bombers under the arrangement?

A. I feel that the latter half of 1941 we will begin to get some of the sections and that by 1942 we will be in fairly good production—100 of the B-24s.

Q. The latter half of 1942?

A. Yes. In 1941 we will have the beginning of it and in 1942 we expect to be up to 100.

Q. Mr. Knudsen, is this Ford contract, an educational contract, the first one given to any motor manufacturers to make subassemblies?

A. It is. You know I went to them in October and got them started on the bomber program.

Q. Any others going to get them?

A. Yes; General Motors is getting one and Chrysler and Goodyear are getting one. Briggs has a subcontract now with Douglas and so has Murray.

Q. When you spoke about 100 a month in the latter part of 1942, Mr. Knudsen, were you speaking only of the Consolidated or were you talking of all the bombers you were going to have made?

A. I was talking about this job.

Q. Has Mr. Hillman said anything about the contract—the experimental contract?

A. No. Mr. Hillman takes the position wherever a job is essential for national defense we are willing to stretch a point.

Q. Doesn't this experimental contract contain the clause that Ford rejected the previous time?

A. No; no negotiated contract contains that clause.

Q. Can you give us any estimate on the size of this educational contract as to dollars?

A. Well, the piece contract isn't written up.

Q. No; but I mean the tools, things, etc.?

A. I would rather let the Army do that. They are going to release the contract in due time. I am giving defense information and I hope you will deal with this as an explanation on how the job is going to be handled. In other words, when you want to build a plane you need tools; on sections of the plane you need assembly plants to put the plane together, but this is the first thing. Next comes the pieces; then comes the assembly plant, and the assembly plants, you know, are under way in Omaha, and Tulsa, Okla. for the B24.

Q. Well Mr. Knudsen, does this experimental contract mean that the Government takes over the tooling of that new plant Ford has built up?

A. The Government provides all the fixtures and, of course, Mr. Ford will use whatever machinery he has available in his own plant to make even smaller pieces. The Ford plant facilities are going in at Ypsilanti, which is a little outside of Detroit.

Q. There is a new plant in Detroit—the 10 million dollar plant?

A. That is the Ypsilanti plant. You have the wrong place.

Q. Does it have to be built?

A. It is quite simple to construct. It won't take long to build it. It has not been built yet.

### Labor strikes have not hurt defense program

Q. These strikes that seem to be increasing, C. I. O., are they interfering with production Mr. Knudsen?

A. Well, of course we shouldn't have any strikes; you know that just as well as I do and we have had a few and it is quite annoying. But so far I don't think the program is hurt.

Q. You don't think over the long curve it will interfere?

A. I think we will shape along.

Q. You assume it might be sabotage?

A. I was asked that this morning. I said sabotage is a subversive activity; it could only be combatted with subversive means. In other words you can't bring sabotage out in the open; you've got to catch it and dispose of it; we have laws now to handle it.

Q. Can you suggest any step at all of handling these strikes? The summarization today over our ticker shows a lot

of these strikes, an increasing number in various factories.

A. How many have we?

Q. Fourteen or fifteen?

A. In a country of this size, do you think that is much?

Q. Well, it depends on how many key factories you have involved in strikes.

A. We have no key plants involved. The biggest was International Harvester and Allis-Chalmers.

#### Allis-Chalmers strike

Q. Mr. Knudsen, would you want to say anything about this Allis-Chalmers strike?

A. Yes; we were in here Saturday night until quite late and we had an agreement between the parties going back to Milwaukee the following day and the new issue sprung up which we are working on now trying to get straightened out. A brand-new point was raised when they got back to Milwaukee. I thought that we were all done Saturday night when there was an agreement on both sides of the table.

Q. What was that new point?

A. They drew up a memo dealing with what the referee's duties were. We have an impartial referee to settle questions of infraction of discipline in the shop, and the union for some reason or other after they got back to Milwaukee insisted that this clause was what we call an emergency union clause where a man would be fired if he didn't pay his dues, but we could see nothing like that in it and that is what we are working on now.

Q. You mean the union interpreted the clause about the duties of the referee as being a maintenance clause?

A. Yes; he could pass on whether a fellow could be fired on not paying his dues—that wasn't in the picture at all.

Q. What is it now, the union wants that clause put in?

A. They are negotiating in Milwaukee. They are having a meeting which started at 10 this morning to try and get it straightened out. You see when we left here we had this memorandum drawn up and the understanding was he was to submit it to the membership on Monday morning or Monday evening so that the men could get back to work on Tuesday. In the meantime this other complication came up. I am so sorry it came up because we thought we had it all fixed. We worked here all week last week and thought we had it settled.

Q. As I understood you a while ago sabotage is a subversive activity and can only be combatted by subversive means?

A. I mean if you want to combat sabotage—that is a subversive activity and

you go out to fight that under cover. You can't fight it right in the open with a policeman and a club.

Q. Well, we are doing that, aren't we?

A. F. B. I.

Q. Have you made any extended inspection trips of defense plants?

A. I made one last Friday. I went through five plants.

Q. Any more than that?

#### Inspection in Detroit area

A. I am going out tomorrow night again or Friday night. I am going to see some of the plants around Detroit and be home on Sunday and I am going to take in some of the plants in the Detroit area and after that I am going out to some more places.

Q. Do you expect to make Milwaukee?

A. No; I can't do that. I have got to confine myself to the Detroit area.

Q. Are you going to talk to the Governor out there on the strike situation at Lansing?

A. Yes, I heard from Lansing on that account and that is in the process of being settled.

Q. Do these strikes cause you a little concern?

A. Yes; I am frank to say sure they do, if you lose hours you lose material.

#### Favors mediation

Q. Mr. Knudsen, after you left the House Judiciary Committee there was some misunderstanding among the members as to whether this memorandum you are going to submit is going to contain recommendations for a specific bill or whether it is just going to be a general statement on the labor picture?

A. I told them I would look over these five or six bills that were up here and I selected this Smith bill. I will give them a memorandum on that.

Q. Are you in favor of stronger legislation? Are you in favor of stronger action against strikes in these stern times, so to speak?

A. What do you mean—what kind of strong action?

Q. Are you against strikes?

A. I am. Now what next?

Q. Well, do you favor, for example, a compulsory cooling-off period before the strike?

A. I tried to explain this morning that those kind of things I thought could be done better by negotiating, than by beating. I told a long story of a French experience in 1936 which I happened to be witness to over there and I am not in favor of any strong measures. I think a movement of this sort has got to be

cooperative and has got to be worked out and I favor mediation. You might know that I am practicing it every day.

Q. Mr. Knudsen, are you in favor of some kind of a law compelling mediation?

A. No; I took the stand before the Committee that I did not think that any legislation was needed when they specifically asked me this morning. I said I would take this bill, analyze it and give it my reaction.

Q. No new legislation either?

A. I didn't recommend it.

Q. Well, what if the situation gets worse over there and these strikes continue, then what would be your attitude?

#### Other treatment for inspired strikes

A. Then I might indicate my attitude. You have to deal with questions like that in the light of your actual experiences—In other words, I feel that the amount of strikes we have here haven't seriously interfered with the program. Now, if they did seriously interfere with the program, I might change my idea about it. Is that clear?

Q. Well, it's clear as of now, but if the situation got worse in England and she were faced with certain defeat, if we didn't regard this arsenal we are talking about and our strikes continued to increase, then you'd have to change your attitude?

A. That's right on these strikes, if they were inspired by Germany.

Q. In other words, it's up to labor and industry to behave?

A. Yes; I don't think I can make it strong enough; I don't want to swing a club over anyone; I want to try to get the feeling of the objective before us that we can all agree on, then we are going to arm quick and well and try to get that by cooperation rather than by laws and poor business, etc.

Q. But if we have continued subversive activities in America on this program, then you would be for stronger action; wouldn't you?

A. That's right.

Q. If this is tying up say 40 percent of our production?

A. There would be trouble, then. I would advocate stronger action. What are you pressing for, anyway?

Q. Well, I'm really pressing on the administration's attitude toward the urgency of the bill 1776 passing.

#### May have to expand defense production

Q. A London economist takes the position that our long-term program won't be of much help to England; we ought to go out and grab up all the facilities



we can get hold of and start turning out planes and tanks and guns just as fast as we possibly can if we are going to be of any help to England; what would be your reaction to that?

A. My reaction will be that we—if, as, and when we get the schedule that says how much we have to make—we will have to decide how we are going to make it.

Q. You haven't got any such schedule yet?

A. No, sir.

Q. You mean British or ours?

A. Well, you know I have a schedule that is running, but nothing beyond that. I have American schedule and British schedule running now; there is no change in that.

### Aluminum, zinc, nickel must be watched

Q. Mr. Knudsen, do you think it will be necessary for additional plant facilities or perhaps new plants to build the additional planes needed by Britain. Of course, the President said they need at least 12,000 more planes than they now have in the present program. Do you think you will have to expand beyond your present program?

A. We might have to.

Q. Can you say anything about acquisition of raw materials, Mr. Knudsen, what your situation is with that?

A. Steel, we have steel; copper, we have copper; aluminum, you know we are tight; zinc, we have to watch; nickel, we have to watch.

Q. How about rubber?

A. Rubber we have.

Q. Tin?

A. We have.

Q. Where did we get that rubber, from the Dutch East Indies?

A. Sure, the only place we can get it.

Q. Can you say anything about the stocks of rubber and tin as to how long they would last? What are the stocks here?

A. Do you think that ought to be public information?

Q. Jesse Jones says so. Jesse says we have enough rubber in the United States and afloat for 18 to 20 months; maybe he is a little optimistic.

A. I think that is pretty fair.

Q. To get back to plane production. Figure on the basis of December, that would be 60 percent of that would be trainers and 40 percent combat. Of the 18,000 for this year would that same ratio hold or would we get better as time goes on; would the training ratio go down and combat come up?

A. No, the combat planes will have to come up a little; it will have to come up.

Q. Is there very much we can do in

the way of aiding England with bombers by Ford? Can we get very much quantity in production?

A. Yes.

Q. Can you say anything about the efforts to increase production of synthetic rubber?

A. Well, there are two methods; there are two ways of making it, one the coal way and the other is the oil way and there are proposals now before Mr. Jones to start on pilot plants to get under way with; in fact, I have a tire they made of that.

Q. Do you anticipate any substantial production of synthetic rubber?

A. Well, I think the method will have to be developed first; you see, we are using quite a lot of synthetic rubber now in very small pieces but for tires there hasn't been any use for it. Still, abroad the Germans are using quite a bit of it. You see, they mix it with old scrap rubber; it's a development process.

### "Can't afford to be" satisfied—Knudsen

Q. Mr. Knudsen, in your speech in December in New York you indicated that you were not satisfied with the progress of the Defense Program at that time; are you any better satisfied now?

A. No, I can't afford to be.

Q. You spoke then of a 30-percent lag on aircraft at that time.

A. We were 30 percent short in December.

Q. How does that stack up now?

A. It shows a little improvement in January.

### "Might be necessary" to curtail automobile production

Q. Do you believe Mrs. Roosevelt's statement we might be patriotic next year and sacrifice new automobiles?

A. I can quite understand the statement.

Q. Do you think it might be necessary?

A. I don't know yet. If we are short we will go to them and tell them they have to cut down the use of them; when we asked them to cut down on zinc for die casting they all responded right away very favorably.

Q. Is there any possibility we might do with the last year's car in 1942?

A. You have done with it before and you didn't know it.

### Conferences on Murray and Reuther plans

Q. Mr. Knudsen, what is the status of the Murray plan and Reuther plan?

A. Mr. Reuther is coming in on his plan; it's not of my doing, but we are waiting for Mr. Hillman to come and when Mr. Hillman comes back we are

trying to match it up with Mr. Reuther's coming in Friday morning.

Q. Will Mr. Reuther be here with Mr. Murray?

A. Yes, Mr. Murray, Reuther, Hillman, and myself on Friday the 28th.

Q. How about the Murray plan on steel?

A. That is waiting for Gano Dunn's report on control of steel industry which will be out the last part of this month.

### Decentralization of plants

Q. Are there any new plans afoot which might result in a greater distribution, more decentralization of new plants?

A. I think we have done as well as could be expected. Of course we can never satisfy everybody but ever since we started on this program we were told to try to move west between the Alleghenies and the Rockies. If you have studied the record I think you will find that most of the plants went there. Of course, on both the eastern and western shores there were certain plants we couldn't do away with and we put some pieces on them to start with in order to get better results in production.

★ ★ ★

### Representatives of aluminum industry to work with Price Stabilization Division on problems of aluminum scrap prices and supplies

Appointment of a committee of 10 representatives of all groups of the aluminum industry to work with the Price Stabilization Division of the National Defense Advisory Committee on the problems of aluminum scrap prices and supplies was voted February 18 by a meeting of some 60 leaders in the various divisions of the industry. This meeting was held with C. A. Bishop, acting director of the price section of the Price Stabilization Division.

The committee will contain two representatives from each of the five groups represented in the conference—primary producers, secondary smelters, foundries, dealers, and fabricators. The names of the men appointed will be announced later.

It was generally agreed at the meeting that many fabricators of aluminum products are withholding their scrap from the market, thus increasing the present unbalanced situation. It was also evident that some fabricators are building up their inventories and buying aluminum for future requirements.

## MR. HILLMAN

(Continued from page 1)

less than in the last half of 1939. The evidence is detailed in an exhibit, Table A (see next page), which I am submitting for the record.

### Comparison with 1916

2. Less than half as many persons were involved in strikes during 1940 as in the corresponding period of emergency in 1916, or the war years 1917 and 1918. This is true in spite of the fact that in the meantime employment in nonagricultural activities has increased by 22 percent.

### Comparison with accidents

3. The amount of idleness caused by strikes in 1940 was less than one-quarter as great as the time lost because of industrial accidents.

### Short duration

4. The strikes that have occurred during recent months of ever-enlarging industrial activity have been small and of short duration.

I am submitting these facts and figures because I know that you will agree that it is extremely important that all of us see the strike situation in its true perspective. With the emphasis on strikes in the daily press, the man on the street can hardly fail to conclude that strikes are increasing greatly. This is simply not true.

A detailed story of industrial relations today is contained in Table B (see next page) that I have had compiled by the Bureau of Labor Statistics, which shows the extent of strike activity in 11 vital industries closely related to national defense.

In the industries making the engines and machine tools so vital to our national security, there was only 1 day of idleness due to strikes for each 1,800 man-days worked. Put in other words, this means that in the engine and machine tools industries, strikes in 1940 were responsible for 1 day of idleness for every 6 years of work. Put in terms of percentage, *it means that in these vital industries, idleness due to strikes constituted one-sixteenth of 1 percent of the time actually worked.* Now, gentlemen, frankly, isn't this a remarkable record of cooperation?

### Time made up

And please bear in mind that these figures of idleness caused by strikes, if anything, exaggerate the picture. You fully realize, I am sure, that days of idleness caused by strikes cannot always be

counted as time lost. In many instances, such lost time is quickly made up.

This whole analysis shows what should be self-evident: *Strikes are the rare exception in defense industry.*

This remarkable record of labor relations in defense industry is due to the fact that the defense program has brought forth special efforts on the part of organized labor and on the part of management and Government to settle labor controversies without the interruption of work. As you probably know, one of the first things I did on becoming a member of the Advisory Commission to the Council of National Defense was to create a Labor Policy Advisory Committee, consisting of 16 outstanding officials of unions affiliated with the AFL and CIO, and the Railroad Brotherhoods.

Their first act, on July 12, was to pledge their full and unstinted devotion to the program of national defense. On December 6, this committee, on behalf of organized labor, pledged itself "to take no action which may in any way impede production before all conciliation facilities of the Federal Government for resolving any existing controversies have been exhausted."

### "Solemn duty"

This attitude of labor was reemphasized by President Green of the American Federation of Labor in the January 1941 issue of the *American Federationist*, when he said: "We recognize the fact that, in a great emergency such as we are now facing, it becomes our solemn duty to avoid strikes and to prevent interruption of work in defense industries."

In December, Mr. Philip Murray, president of the Congress of Industrial Organizations, lent his emphasis to this policy when he said that "The CIO, operating constructively, proposes to act reasonably and logically to avoid strikes."

Nor is labor alone determined to avoid stoppages in production. I could likewise cite instances of forward-looking management which has sought to further the defense effort by going a long way in satisfying legitimate grievances and demands of their workers.

In reviewing these important achievements, we must not overlook the unstinting cooperation of existing governmental agencies. Every agency with which I have come in contact has done everything possible to help maintain a steady flow of production in our defense industries. The United States Conciliation Service, whose staff has recently been increased with funds made available

by the Defense Commission, has made a real contribution toward bringing about settlements before controversies reached the stage of strikes.

### Conciliation machinery

In addition, machinery has been set up in the Defense Commission to assist the Conciliation Service when cases prove unduly difficult. We have secured commitments from labor leaders that they will not permit strikes to be called until sufficient advance notice has been given to the Defense Commission, so that it may be in a position to intervene. And it is largely because such advance notice has been voluntarily given to the Commission that stoppages in defense industries have been relatively few.

For example, after 30 days of negotiations between the union and the management of a large plane factory we were advised that a strike was threatened. Negotiations were breaking down and the union had voted by an overwhelming majority to go on strike.

Such a stoppage, involving 7,000 workers engaged in the production of bombers, would have seriously affected the national defense program. At the Government's request, the strike deadline was twice voluntarily postponed and the threatened stoppage delayed a total of nearly a month and a half, allowing the union and the management to reach an accord. There was no strike.

### Effective method

Similar examples could be given, not only in aircraft but in other vital defense industries, which show that this advance notice voluntarily given the Commission, coupled with the self-discipline exercised by the workers themselves, have proved effective in avoiding defense stoppages. In this way, too, it has been demonstrated that our cooperative way of doing things works.

Moreover, through representatives of both the CIO, the AFL, and of management who are members of my staff, all parties in a controversy have an opportunity to tell their sides of the story to understanding listeners. In this way, issues have been clarified and the basis laid for agreements which have averted threatened stoppages of production in the airplane, shipbuilding, machine tool, electrical equipment industries, and many others.

This record of successful industrial relations is positive evidence that every responsible labor leader in this country is, day by day, doing everything possible to further the defense effort and to avoid interruption of production.

In both the National Defense Advisory Commission and in the Office of Production Management, the results I have outlined to you have been obtained by co-operation on the part of all groups.

### Teamwork

Teamwork has been the mainspring of our effort. Voluntary cooperation has been its keynote. And in all this, we are as yet only in the early stages of the period of even greater and more effective cooperation. If anything at all is indicated, it is to explore ways and means of increasing voluntary cooperation between management and labor by every means at our command.

Both management and labor in this country are keenly aware of the stake they have in preserving and strengthening democratic institutions and democratic methods. They should be given greater confidence in their use of democratic conference table techniques.

I am sure that you will agree with me that if anything is done which will have the effect of destroying or impairing this greater spirit of cooperation, it will only retard our defense effort. Additional legislation, therefore, is not called for. I know that if management and labor will be permitted to improve and perfect their arrangements of voluntary cooperation, the interests of national defense will in that manner be best served.

The self-discipline of a free and independent people will always enable them to out-think, out-produce, and out-live any system of totalitarian slavery.

**TABLE B.—MAN-DAYS OF IDLENESS DURING STRIKES IN 11 INDUSTRIES CLOSELY RELATED TO NATIONAL DEFENSE, COMPARED WITH MAN-DAYS WORKED, 1940<sup>1</sup>**

Industry	Minimum number of man-days worked*	Man-days idle as a percentage of man-days worked	Number of man-days worked per man day idle
Aircraft.....	21,624,000	Percent 0.47	594
Aluminum.....	6,792,000	.45	222
Automobiles.....	107,424,000	.70	1,031
Blast furnaces, steel works, and tanning mills.....	116,088,000	.12	849
Electrical machinery.....	57,624,000	.68	146
Engine manufacturing.....	12,528,000	.06	1,685
Explosives.....	1,824,000	.16	601
Foundries and machine shops.....	96,624,000	.27	375
Machine tools.....	1,584,000	.05	1,822
Saw mills, logging camps, and millwork.....	110,352,000	.39	254
Shipbuilding.....	22,488,000	.21	466

<sup>1</sup> Days work estimated as average employment times 240 days per year.

<sup>2</sup> With allowance for independent logging camps which are included in the strike data but are excluded from the regularly published employment figures.

Source: U. S. Bureau of Labor Statistics.

**TABLE A.—STRIKES IN THE UNITED STATES, 1914 TO 1940**

Year	Number of—			Index (1927-29=100)		
	Strikes	Workers involved	Man-days idle	Strikes	Workers involved	Man-days idle
1914.....	1,204	(1)	(1)	162	(1)	(1)
1915.....	1,593	(1)	(1)	214	(1)	(1)
1916.....	3,789	1,599,917	(1)	569	514	(1)
1917.....	4,450	1,227,254	(1)	598	395	(1)
1918.....	3,353	1,239,989	(1)	451	399	(1)
1919.....	3,630	4,160,348	(1)	488	1,337	(1)
1920.....	3,411	1,463,051	(1)	458	479	(1)
1921.....	2,385	1,099,247	(1)	321	353	(1)
1922.....	1,112	1,612,562	(1)	149	519	(1)
1923.....	1,553	756,584	(1)	209	243	(1)
1924.....	1,249	654,611	(1)	168	210	(1)
1925.....	1,301	528,416	(1)	175	138	(1)
1926.....	1,035	329,562	(1)	139	105	(1)
1927.....	707	329,939	26,218,628	95	106	178
1928.....	604	314,210	12,631,863	81	101	86
1929.....	921	288,572	5,351,540	124	93	36
1930.....	627	182,975	3,316,808	86	59	23
1931.....	810	341,817	6,869,244	109	110	47
1932.....	841	324,210	10,502,033	113	104	71
1933.....	1,695	1,168,272	16,872,128	228	376	115
1934.....	1,856	1,466,695	19,591,949	250	472	133
1935.....	2,014	1,117,213	15,456,337	271	359	105
1936.....	2,172	788,638	13,901,956	292	254	94
1937.....	4,740	1,800,621	28,424,857	637	598	193
1938.....	2,772	688,376	9,148,273	373	221	62
1939.....	2,613	1,170,962	17,812,219	351	377	121
1940.....	2,450	577,000	6,500,000	(1)	(1)	(1)

<sup>1</sup> No information available.

Source: U. S. Bureau of Labor Statistics.

## Iowa legislation establishes State defense agency and legislative committee on defense

By unanimous vote of both houses on February 5, the Iowa Legislature passed a bill creating two defense bodies—the Iowa Industrial and Defense Commission and the Legislative Committee on National Defense Coordination.

Appropriations for the work of these two bodies amount to \$10,000 for the period ending June 30, 1941, and \$20,000 a year for the following 2 years.

### Organization of Commission

The Industrial and Defense Commission is to be appointed by the Governor, who is to designate the chairman. Maximum number of members of the commission is 15. They are to receive traveling expenses.

Provision is made for employment of an executive secretary, and clerical and office assistance. Salaries of staff members are to be fixed by the commission, subject to approval by the legislative committee on defense.

The Legislative Committee on National Defense Coordination consists of the chairmen of the national defense committees of the State senate and the house of representatives, plus one other member of each of these committees designated by the presiding officer of each house.

The Legislative Committee is to select its chairman and secretary. Funds are available for staff assistance.

For work when the legislature is not in session, members of the Legislative Committee are to receive \$10 per day, but not to exceed \$420 per year, plus traveling expenses.

Section 5 of the bill requires the Legislative Committee on Defense to advise from time to time with the State Industrial and Defense Commission. It also gives the committee control of and supervision over funds, including expenditures of the Defense Commission.

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## Former Indiana Governor appointed as special adviser on agricultural and labor matters

Sidney Hillman, Associate Director General of the Office of Production Management, announced February 21 the appointment of former Gov. M. Clifford Townsend as a special adviser on agricultural and labor matters. He will join Mr. Hillman's staff on March 1.

Mr. Townsend, who was Governor of Indiana from 1937 to January 1941, is widely recognized as an authority on these problems. While Lieutenant Governor and State Commissioner of Agriculture, posts which he held simultaneously during the 4 years preceding his election as Governor, he set up the Indiana State Milk Control Board, which has become a model for other milk control administrations throughout the country.

# DEFENSE HOUSING . . .

## Award of contracts for the construction of 1,925 dwelling units under the defense housing program during week ending February 15

Contracts for construction of an additional 1,925 dwelling units under the defense housing program were awarded during the week ending February 15, it was announced by C. F. Palmer, Coordinator.

Besides the units for which contracts were let, the Coordinator reported that new allocations for 200 dwelling units were announced, and 249 were made available for occupancy during the period.

Of the total number of dwelling units for which allocations have now been made, Mr. Palmer said 45,035 will be for the use of families of civilian workers, and 23,597 for the families of enlisted personnel. 2,150 of the dwelling units will be for unmarried civilian workers and 295 for unmarried enlisted personnel.

A summation of the work of each agency in the defense housing program as of last week showed:

### Federal Works Agency

Federal Works Administrator John M. Carmody announced the establishment of defense housing management policies on taxes, tenant selection, and rentals. In accordance with the rulings, FWA will pay annual sums in lieu taxes; eligibility of tenants will be dependent upon their being engaged or about to be engaged in industries essential to the national defense, and rentals in houses occupied by industrial workers will be directly related to incomes of the occupants.

As of February 15, the FWA Administrator reported that 20,000 dwelling units were under contract at a total estimated construction cost of \$63,152,892.

### United States Housing Authority

The USHA announced that construction was commenced on a 1,000-unit project in Hartford, Conn., which will be the largest of its kind in New England. The new dwelling units will be for workers in Hartford defense industries made

up principally of aircraft and related production.

Out of a total of 50 projects assigned to the United States Housing Authority for construction, it was reported that 23 were under construction or completed, with 1,424 units available for occupancy; 11 were scheduled for ground breaking in March or April with sites being acquired or plans drawn for the remainder.

### Farm Security Administration

Farm Security Administration announced it is pushing plans for the construction of 1,000 dwelling units at Greenbelt, Md., to house defense workers coming into the Washington vicinity.

### Defense Homes Corporation

Defense Homes Corporation announced it had acquired an option on a site at Nashville, Tenn., where 200 homes will be constructed for defense workers in the Vultee Aircraft plant. Housing is to be of a permanent type, it was announced, and will cost between \$3,500 and \$4,000 per unit, including land and utilities. The project will be financed with a mortgage insured by the FHA and equity capital supplied by the Defense Homes Corporation.

### Federal Housing Administration

The FHA announced that since July 1, 1940, private builders had started construction under FHA inspection on 105,920 new small homes, an increase of 31.07 percent over the number started in the same period a year earlier. It was reported that about 85 percent of the new housing has occurred in important defense industrial areas. In some of these areas increases ranged up to 200 percent as compared with a year ago.

These wide increases took place in such areas as Hartford, Cincinnati, Richmond, including the Hampton Roads area, Pittsburgh, Philadelphia, Buffalo, Chicago, Indianapolis, Detroit, Cleveland, St. Louis, Birmingham, Minneapolis, Milwaukee, Denver, San Francisco, and Seattle.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, FEBRUARY 15, 1941

	Funds allocated	Contracts awarded	Completed
Number of States and Territories.....	41	37	10
Number of localities.....	125	89	13
Number of projects.....	226	124	14
Number of family dwelling units.....	68,632	36,936	1,932
Civilian industrial workers.....	36,352	15,192	636
Other civilians:			
Employees of Army and Navy.....	8,683	5,013	724
Married enlisted personnel.....	23,597	16,731	576

PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

	Week ended Feb. 15, 1941	Previous week
New homes started.....	2,733	2,755
New home mortgages selected for appraisal.....	5,051	3,835

## Hearings before the Banking and Currency Committee of the House on an amendment liberalizing National Housing Act provisions

Hearings were opened before the House Banking and Currency Committee last week on an amendment liberalizing provisions of the National Housing Act.

C. F. Palmer, Defense Housing Coordinator; Jesse Jones, Federal Loan Administrator; Stewart McDonald, Deputy Loan Administrator; and Abner H. Ferguson, Federal Housing Administrator, testified in favor of the measure.

The new amendment to the National Housing Act would set up a separate Defense Housing Insurance Fund of \$10,000,000 to be used to underwrite \$100,000,000 in mortgages on 1- to 4-family dwelling units in defense areas.

Under the proposed legislation, loans to builders would be insured up to 90 percent of the Federal Housing Administrator's appraised value of the property where such advances of credit did not exceed \$4,000 on a single-family residence; \$6,000 on a 2-family residence; \$8,000 on a 3-family dwelling; and \$10,500 on a 4-family apartment building.

In explaining his reasons to the committee for requesting the amendment, Mr. Palmer declared that the magnitude of the Defense Housing Program is such as to require the utmost speed in the production of dwelling accommodations at low cost.

## Certificates of Necessity for plant expansion granted to 89 corporations from February 1 through February 15

Speed-up in granting applications for Certificates of Necessity for plant expansion under the national defense program was shown in a report issued February 20 by the National Defense Advisory Commission. From February 1 through February 15, the Commission issued 93 such certificates to 89 corporations as compared with 51 corporations which received certificates in the last half of January, and 67 in the first half.

The approximate cost of facilities covered by the certificates was \$63,977,000 as compared with \$71,864,000 during the last half of January, and \$120,188,000 in the first half of the month. The average per certificate during the first half of February was \$687,925 as compared with an average of \$1,409,098 in the second half of January, and \$1,793,851 in the first half.

Certificates of Necessity are issued to enable manufacturers to avail themselves of the 60-month income tax amortization of plant cost provided for under section 124 of the Internal Revenue Code. Estimates are subject to audit by the Commissioner of Internal Revenue.

### Two of the largest plant expansions

The largest item on the list is \$13,752,000 for plant expansion of the General Electric Co., Schenectady, N. Y., for the manufacture of turbosuperchargers for aircraft engines, turbines, and controls.

The second largest item on the current list is a certificate covering \$10,827,000 for plant expansion by the Electro Metallurgical Co. of New York City for the manufacture of chromium, silicon, manganese alloys, and alloying metals.

The manufacturers who received certificates from February 1 through February 15, the purpose for which the new facilities will be used, and the approximate cost of such facilities are listed below:

*Abrasive Machine Tool Co.*, East Providence, R. I.; surface grinders; \$101,000.

*The Acme Machine Tool Co.*, Cincinnati, Ohio; machine tools; \$83,000.

*Allegheny Ludlum Steel Corporation*, Pittsburgh, Pa.; strip steel, carbon, silicon and alloy; \$1,045,000.

*The American Pulley Co.*, Philadelphia, Pa.; windshield stampings for Navy projectiles; \$28,000.

*American Tube Bending Co., Inc.*, New Haven, Conn.; aircraft engine parts; \$81,000.

*Arter Grinding Machine Co.*, Worcester, Mass.; rotary surface grinders; \$27,000.

*Bath Iron Works Corporation*, Bath, Maine; destroyers; \$760,000.

*John Bath & Co.*, Worcester, Mass.; taps and thread gages; \$88,000.

*Bauer Bros. Co.*, Springfield, Ohio; machining of shells; \$549,000.

*The Bodine Corporation*, Bridgeport, Conn.; automatic machinery; \$47,000.

*Borg-Warner Corporation*, Auburn, Ind.; gears for machine tools; \$37,000.

*Boyar-Schuliz Corporation*, Chicago, Ill.; aeroplane parts and dies and gages for machine guns; \$102,000.

*Bridgeport Brass Co.*, Bridgeport, Conn.; Cartridge cases; \$48,000.

*Buhr Machine Tool Co.*, Ann Arbor, Mich.; spindle drill and tapping equipment; \$61,000.

*Carolina Aluminum Co.*, Badin, N. C.; pig aluminum and carbon electrodes; \$1,381,000.

*Chain Belt Co.*, Milwaukee, Wis.; howitzers and parts; \$60,000.

*T. M. Chapman's Sons Co.*, Old Town, Maine; aeroplane engine parts; \$17,000.

*Chase Brass & Copper Co.*, Waterbury, Conn.; cartridge cases; \$60,000.

*The Cincinnati Shaper Co.*, Cincinnati, Ohio; shapers, presses and brakes; \$263,000.

*Clearing Machine Corporation*, Chicago, Ill.; mechanical and hydraulic presses; \$166,000.

*The Cleveland Welding Co.*, Cleveland, Ohio; casing bursters for shells; \$42,000.

*Colonial Broach Co.*, Detroit, Mich.; broaching machines and fixtures; \$170,000.

*Consolidated Machine Tool Corporation*, Rochester, N. Y.; machines and presses; \$352,000.

*Detroit Tap & Tool Co.*, Hamtramck, Mich.; thread grinding and tapping machines; \$63,000.

*Dow Chemical Co.*, Midland, Mich.; magnesium metal castings; \$1,105,000.

*The Electric Controller & Mfg. Co.*, Cleveland, Ohio; electrical controllers and magnets; \$29,000.

*Electro Metallurgical Co.*, New York, N. Y.; chromium, silicon, manganese alloys and alloying metals; \$10,827,000.

*Enterprise Galvanizing Co.*, Philadelphia, Pa.; pickling and painting of hull for naval vessels; \$30,000.

*Ex-Cell-O Corporation*, Detroit, Mich.; aircraft engine parts; \$1,670,000.

*The Factory Power Co.*, Cincinnati, Ohio; power, light, heat, air, and water; \$412,000.

*Fairbanks, Morse & Co.*, Chicago, Ill.; opposed piston Diesel engines and parts; \$1,404,000.

*Federal-Mogul Corporation*, Detroit, Mich.; bronze bushings; \$65,000.

*A. Finkl & Sons Co.*, Chicago, Ill.; breech rings and housing for anti-aircraft guns; \$168,000.

*Food Machinery Corporation, Inc.*, San Jose, Calif.; amphibian tractors; \$320,000.

*Foster Machine Co.*, Elkhart, Ind.; automatic chucking machines and turret lathes; \$58,000.

*Franklin Machine & Foundry Co.*, Providence, R. I.; small arms ammunition and equipment; \$274,000.

*The Gear Grinding Machine Co.*, Hamtramck, Mich.; gear grinding machines; \$150,000.

*General Electric Co.*, Schenectady, N. Y.; turbosuperchargers for aircraft engines, turbines, and controls; \$13,752,000.

*General Motors Corporation*, Detroit, Mich.; fuses and shells; \$176,000.

*Gisholt Machine Co.*, Madison, Wis.; turret lathes; \$1,172,000.

*Goodyear Aircraft Corporation*, Akron, Ohio; aeroplane wheels and brakes; \$420,000.

*Goodyear Tire & Rubber Co.*, Akron, Ohio; airship rubberized fabric; \$15,000.

*George Gorton Machine Co.*, Racine, Wis.; milling, die-cutting, and profiling machines; \$80,000.

*Harris-Seybold-Potter Co.*, Cleveland, Ohio; shell lathes; \$86,000.

*Hercules Powder Co.*, Wilmington, Del.; smokeless powder and nitrocellulose; \$1,121,000.

*R. Hoe & Co.*, New York, N. Y.; recoil mechanisms and equilibrators; \$83,000.

*Hydraulic Press Manufacturing Co.*, Mount Gilead, Ohio; hydraulic presses and pumps; \$608,000.

*Illinois Gear & Machine Co.*, Chicago, Ill.; gears; \$42,000.

*Illinois Tool Works*, Chicago, Ill.; metal cutting tools; \$360,000.

*Industrial Brownhoist Corporation*, Elyria, Ohio; machine tool castings; \$296,000.

*The Johnston & Jennings Co.*, Cleveland, Ohio; smooth force and semifinished machine parts; \$26,000.

*Link Aviation Devices, Inc.*, Binghamton, N. Y.; aircraft engines and parts; \$320,000.

*The Lufkin Rule Co.*, Saginaw, Mich.; measuring tapes and rules and precision tools; \$93,000.

*The Marquette Metal Products Co.*, Cleveland, Ohio; aeroplane precision machine parts; \$223,000.

*McQuay-Norris Manufacturing Co.*, St. Louis, Mo.; bullet cores; \$57,000.

*Miehle Printing Press & Mfg. Co.*, Chicago, Ill.; machine tools, gun sights, and mounts; \$422,000.

*Mosler Safe Co.*, Hamilton, Ohio; machine tool parts; \$22,000.

*The National Automatic Tool Co.*, Richmond, Ind.; machine tools; \$57,000.

*National Broach & Machine Co.*, Detroit, Mich.; machine tools; \$147,000.

*National Carbon Co., Inc.*, New York, N. Y.; carbon and graphite electrodes; \$2,228,000.

*Henry B. Nevins, Inc.*, New York, N. Y.; mine sweepers; \$98,000.

*New Process Gear Corporation*, Syracuse, N. Y.; aircraft propeller parts; \$347,000.

*Carl L. Norden, Inc.*, New York, N. Y.; aviation instruments; \$56,000.

*Packard Motor Car Co.*, Detroit, Mich.; marine engines; \$643,000.

*Peco Manufacturing Corporation*, Philadelphia, Pa.; bomb metal parts; \$107,000.

*George P. Pilling & Sons' Co.*, Philadelphia, Pa.; surgical instruments and supplies; \$23,000.

*Potash Company of America*, Carlsbad, N. Mex.; muriate of potash, chlorate and hydropide potassium; \$427,000.

*Reading Co.*, Philadelphia, Pa.; transportation; \$7,000.

*Republic Aviation Corporation*, Farmingdale, N. Y.; aeroplanes; \$5,126,000.

*Scottdale Mills*, Scottdale, Ga.; khaki and cotton tent duck; \$26,000.

*The Sheffield Gage Corporation*, Dayton, Ohio; gages; \$910,000.

*J. Sklar Manufacturing Co., Inc.*, Long Island City, N. Y.; surgical instruments; \$88,000.

*Smalley-General Co.*, Bay City, Mich.; thread milling machines; \$20,000.

*The Snow & Petrelli Mfg. Co.*, New Haven, Conn.; gears and clutches for boats; \$79,000.

*Superior Tube Co.*, Philadelphia, Pa.; metal tubing; \$347,000.

*Taft Pierce Mfg. Co.*, Woonsocket, R. I.; gages for aircraft and small arms production; \$400,000.

*Taylor-Wharton Iron & Steel Co.*, Easton, Pa.; machining of shells; \$552,000.

*The Textile-Finishing Machinery Co.*, Providence, R. I.; machine tool parts; \$147,000.

*Thompson Products, Inc.*, Cleveland, Ohio; aircraft engine parts; \$86,000.

*Todd-California Shipbuilding Corporation*, Oakland, Calif.; magnesium products; \$5,000,000.

*Todd Galveston Drydocks, Inc.*, Galveston, Tex.; reconditioning and repairing of vessels; \$2,254,000.

*Union Twist Drill Co.*, Athol, Mass.; machine tools; \$221,000.

*United Aircraft Corporation*, East Hartford, Conn.; aeroplanes and parts; \$1,633,000.

*United Drill and Tool Corporation*, Chicago, Ill.; machine tools; \$607,000.

*The Viller Manufacturing Co.*, Milwaukee, Wis.; howitzers; \$188,000.

*O. S. Walker Co.*, Worcester, Mass.; magnetic chucks and grinding machines; \$16,000.

*Weston Electrical Instrument Corporation*, Newark, N. J.; electrical measuring instruments; \$160,000.

*Worthington Pump & Machinery Corporation*, Harrison, N. J.; aircraft propeller cams; \$269,000.

*Wyckoff Drawn Steel Co.*, Pittsburgh, Pa.; carbon, alloy, and steel; \$191,000.

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## Defense photos available for publication

The Picture Office of the Information Division of the NDAC-OPM functions as a clearing house for photographs on every phase of our defense effort. Pictures are available covering the manufacture of arms, munitions, and equipment, tanks, uniforms, construction of cantonments, defense housing, types of workers, training courses, small industries, shipbuilding, and a number of other subjects. The files are constantly being expanded.

Prints of photographs made by NDAC-OPM are distributed directly by the Picture Office. In other cases, requests for pictures will be checked against the samples in the file and routed to an agency which has available for distribution pictures of the type requested. Photographs are supplied for publication only.

Requests should be directed to Robert Collyer, Special Assistant to the Director of Information, OPM, Room 3523, Social Security Board Bldg., Washington, D. C.

In all cases, it is asked that a copy of any publication using a NDAC-OPM photograph be sent to the Picture Office when prints supplied by the office are returned.

## Simplification of forms for Certificates of Necessity expected to expedite handling

Speedier handling of requests for Certificates of Necessity for plant expansion is expected as a result of simplification in application forms, the National Defense Advisory Commission announced February 19.

Revision of the forms was made necessary by adoption of Public Act No. 3, Seventy-seventh Congress, amending section 124 of the Internal Revenue Code, which made it possible to file applications for the Certificates within 60 days after acquisition or beginning construction on a new plant. Formerly it was necessary to obtain a certificate before construction could be begun or new facilities acquired or constructed.

Simplification of tables to be filled in by the applicant, and clarification of some of the questions asked, are expected to enable the Commission to act with greater speed upon new applications for certificates. Applicants are urged to give complete information in order to facilitate a decision by the Commission.

The new forms of application for a Government Protection Certificate and for the Non-Reimbursement Certificate also have been altered to conform with changes in the law. In each instance, application must now be filed before the expiration of 60 days after making of a contract with the United States. Before the new act these certificates, to be effective, had to be issued within 90 days after making of a contract.

The new forms supersede instructions issued on November 1, 1940. Copies may be obtained at the office of the Assistant Secretary of War or the office of the Judge Advocate General of the Navy, Certification Unit.

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## Retired enlisted men may be called to active duty

The War Department has announced that retired enlisted men, who have special qualifications and who are physically qualified for duty, will be ordered to duty when desired by corps area or department commanders. Enlisted men so called to duty will serve in corps area service commands or overhead installations, and will not be assigned or transferred to units of the field forces.



## Compilation of defense contracts cleared and awarded, February 13 through February 19

A total of \$85,519,833.68 in defense contracts was cleared and awarded during the period February 13 to February 19, inclusive. This compares with a total of \$33,491,192 for the previous week, and \$21,204,000 for the period ended February 5.

All contracts over \$500,000 are cleared by the Division of Purchases of the Office of Production Management.

During the latest period, cleared contracts awarded by the War Department totaled \$50,303,434; by the Navy Department, \$32,451,400; and by the Maritime Commission, \$2,765,000.

### ORDNANCE

#### WAR DEPARTMENT

American Brass Co., Waterbury, Conn., brass, \$1,050,000.

Remington Arms Co., Bridgeport, Conn., small arms materiel, \$695,043.25.

Western Cartridge Co., East Alton, Ill., small arms ammunition, \$1,165,263.26.

Auto Ordnance Corporation, Bridgeport, Conn., small arms materiel, \$2,576,123.27.

Kennedy-Van Saun Manufacturing and Engineering Corporation, Danville, Pa., \$819,072.

LeTourneau Company of Georgia, Toccoa, Ga., artillery ammunition, shells, machining, \$1,190,000.

### CONSTRUCTION

A. W. Kutsche, Detroit, Mich., motor supply warehouse at Fort Wayne, Mich., \$629,700.

Three contractors: The Arthur A. Johnson Corporation, Long Island City, N. Y., Necare Co., Inc., Brooklyn, N. Y., and Vermilya-Brown Co., Inc., New York City, for construction of a defense base at Bermuda, initial contract \$2,456,000 (ultimate total estimated at \$19,000,000).

Four contractors: Al Johnson Construction Co., Minneapolis, Minn., Nick F. Helmers, Inc., New York City; McWilliams Dredging Co., Chicago, Ill., and A. Guthrie & Co., Inc., St. Paul, Minn., for construction of defense base at Newfoundland, initial contract \$3,360,000 (ultimate total estimated at \$23,400,000).

Minder Construction Corporation, Chicago, Ill., for construction of defense base at St. Lucia, British West Indies; initial contract \$900,000 (ultimate total estimated at \$3,000,000).

Elmhurst Contracting Co., Inc., Long Island, N. Y., for construction of defense base at British Guiana, South America; initial contract \$900,000 (ultimate total estimated at \$3,000,000).

Two contractors: George F. Driscoll Co., Brooklyn, N. Y., and Walsh Construction Co., Davenport, Iowa; for construction of a defense base at Trinidad, British West Indies; initial contract \$5,190,000 (ultimate total estimated at \$51,000,000).

S. J. Groves & Sons Co., Inc., Minneapolis, Minn., for construction of air base at Antigua, British West Indies; initial contract \$900,000 (ultimate total estimated at \$2,880,000).

J. A. Terteling & Sons, Boise, Idaho; for construction of Ordnance Depot at Hermiston, Oregon, \$7,547,661.

### EQUIPMENT AND SUPPLIES

#### WAR DEPARTMENT

Autocar Co., Ardmore, Pa., tractor-trucks and chassis, \$1,248,963.56.

General Electric Co., Schenectady, N. Y., superchargers, \$18,040,429.78.

Western Electric Co., Inc., New York, N. Y., microphones, \$824,967.76.

U. S. Rubber Co., New York, N. Y., cable assemblies with reels, \$810,209.80.

#### NAVY

Donald Roebling, Clearwater, Fla., tractors, amphibian, \$3,240,000.

Jack Heintz, Inc., Cleveland, Ohio, starters, hand, electric, \$944,400.

### AIRPORTS

#### NAVY

Three contractors: James Stewart & Co., Inc., and H. J. Deutschbein Company, and the Peter F. Connolly Co., New York, N. Y., aviation facilities at the Naval Air Stations, Trinidad and British Guiana, \$11,487,000.

Two contractors: Geo. A. Fuller Co. and Merritt-Chapman and Scott Corporation, New York, N. Y., aviation facilities at Naval air station, Argentina, Newfoundland, \$9,425,000.

### SHIP CONSTRUCTION

#### NAVY

General Motors Corporation, Cleveland Diesel Engine Division, Cleveland, Ohio, construction of propelling machinery and Diesel-engine driven generators for a submarine tender, \$1,475,000.

General Motors Corporation, Cleveland Diesel Engine Division, Cleveland, Ohio, construction of propelling machinery for 14 submarine chasers of the PC476-488 class, \$5,880,000.

### MARITIME COMMISSION

Federal Shipbuilding and Drydock Co., Kearny, N. J., construction of eight C-2 type, steam propelled cargo ships, \$2,765,000.

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## CONTRACT FOR BAG-LOADING PLANT

The War Department announced February 20 the award of a contract totaling \$14,394,001 to the Brecon Loading Co., Wilmington, Del., a wholly owned subsidiary of the Coca Cola Co., Atlanta, Ga., on a cost-plus-fixed-fee basis, for management services, training personnel, and operation of an artillery ammunition bag-loading plant, on a site of approximately 20,000 acres, located at Childersburg, Ala., to be operated in conjunction with the smokeless powder plant.

Of this total award, \$1,091,000 represents the cost of equipment, leaving \$13,303,001 for the operation of the plant. The contract was cleared by the Office of Production Management.

## Broadening field of purchase of domestic meat supplies for the armed forces; procurement of some South American canned beef necessary

A material broadening in the field of purchasing domestic meat supplies for the armed forces was announced February 22 by Donald M. Nelson, Director, Division of Purchases, Office of Production Management, following a conference with representatives of the American National Livestock Association.

This program provides broad support for the entire domestic meat market, Mr. Nelson said, through the new development of an all-round emergency ration, with its proportionate share of meat products, which opens an entire new field in the preparation of canned meat supplies for the armed forces.

### South American purchases

It was recognized, Mr. Nelson said, by the representatives of the livestock producers that due to this development, which requires all of the domestic canned meat facilities, that some purchase of South American canned beef is necessary to provide immediately canned meat requirements for use by the armed forces in the field.

Purchases will be made in such a way as to minimize any disturbance in the domestic market.

The Army, Mr. Nelson explained, is also increasing substantially its use of boneless meat products as a space-saving device through packaging in frozen form. This, he said, makes it more adaptable to rapid handling in a fast-moving, mechanized Army.

### Importance of meat

It is interesting to note, he said, that the producers were impressed by the fact that the Army is stressing the increasing importance of meat in a well-balanced ration, as indicated in the current requirements, which, on a basis of per man per day exceed by more than 60 percent per capita consumption of meat in the United States during 1940.

The program, Mr. Nelson said, was developed through cooperation of the Army and Navy. The Division of Purchases has had the benefit of the advice and suggestions of the livestock producers.

# CONSUMER DIVISION . . .

## Increased consumer purchasing power can make up for loss of agriculture's export markets—address by Commissioner Elliott

Domestic markets for agricultural commodities, expanding as a result of increased consumer purchasing power arising out of the defense program, can make up for a substantial part of lost export markets, Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, told the National Farm Institute at its annual meeting, held in Des Moines, Iowa, on February 21.

Miss Elliott spoke on "The Effects of National Defense on the Consumer," and reported that an encouraging new consumer demand is making itself felt in agricultural as well as industrial markets.

She pointed out that food expenditures are the largest single item in the average family budget, and said increasing employment and buying power of industrial workers will result in increased farm income as well.

"Recently, I urged businessmen to stand firm against the great temptation to advance prices 'just a little,'" Miss Elliott said.

"Every increase in the price of consumer goods means an increase in the cost of living. I make the same recommendation to agriculture. Let profits come from large volume rather than through high prices."

### Demand for meat

Citing recent recommendations of the United States Department of Agriculture, Miss Elliott said, "Rapidly increasing consumer demand is of particular importance to the producers of hogs and beef. Farmers will profit more, if, in the months ahead, they will send more cattle to market and increase hog production for 1941."

"Maintaining the standard of living, eliminating malnutrition, feeding low-income families and undernourished children have a defense significance which I do not need to spell out. We need the farmer's help and support in protecting the buying power of the consumer's dollar. Unjustified increases in the price of foods are as dangerous as

unwarranted rises in the price of other commodities."

"Citizens who are engaged in agriculture need to look into the problems of staking out a larger claim in the national well-being for the underprivileged outside, as well as inside the agricultural economy. Managers and workers in industry, on the other hand, have a responsibility to those engaged in agricultural as well as industrial occupations."

### Industry in rural areas

Miss Elliott said that new industrial plants necessary for defense production, which are being built in rural areas, will bring benefits to communities with low-income farm families and to farm consumers. She reported that defense officials are considering the utilization of surplus farm manpower in planning the location of industrial plants.

Agriculture is playing a major role in building the Nation's human defenses, Miss Elliott said, through the use of surplus farm products to raise nutrition levels under the food stamp plan and the school-lunch program. She also described the efforts to protect civilian needs and to balance military and civilian requirements in the defense program.

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## Herbert Emmerich, Secretary, Office of Production Management

The Office of Production Management announced February 17 appointment of Herbert Emmerich as secretary.

Mr. Emmerich has had extensive experience in Government since 1933, and has also served during the last 3 years as associate director of the Public Administration Clearing House in Chicago. Born in New York City in 1897, he was graduated from the Wharton School of Finance and Commerce in 1918. His services with the United States Government included work in the Farm Credit Administration where he served as deputy governor.

## Unwarranted rumors of increase in sugar prices; existing stock is now larger than usual

Rumors of sugar shortage, sugar rationing, and price increases have no basis of fact and are entirely unwarranted, Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, declared this week.

"Existing stocks of sugar readily available to consumers in the United States are now considerably larger than usual," Miss Elliott pointed out. "If necessary, sugar production can be expanded materially in domestic areas as well as in nearby foreign areas. Cuba has large surplus stocks of sugar currently because of the drastic curtailment of European markets."

Miss Elliott pointed out that the power of the President to suspend quota restrictions on sugar and certain powers of the Secretary of Agriculture under existing legislation can make these large supplies of sugar available to consumers when necessary.

### Action on quotas

In September 1939, when the European war started a rush in sugar buying which developed into price increases and local sugar shortages, the President suspended the quota provisions of the Sugar Act of 1937. Following this action, the price of raw sugar declined and sugar hoarding ceased.

In reestablishing the quota system on sugar in December 1939, the President said: "It should be noted that under this law the quotas may again be suspended if such action becomes necessary to protect the consumers."

The power to remove marketing restrictions, which would permit the more accessible producing areas to market sugar in the United States and release reserve sugars already stored here, coupled with powers to make shipping available where needed, should make it possible for American consumers to obtain adequate supplies of sugar at all times and at retail prices around existing levels.

## Program to protect consumers from hidden price rises due to the use of short weights

A program to protect consumers from hidden price increases resulting from the use of short weights and measures was outlined in a bulletin issued this week by Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission.

The bulletin, entitled "Check Your Weights and Measures," is being distributed to State and local defense councils and to civic and consumer organizations to help them maintain living standards by protecting consumer purchasing.

### Local responsibility

"The major responsibility for seeing that hidden price rises do not occur through unobserved reduction in quantity, rests upon States and municipalities," Miss Elliott said. "It is important that consumers understand the problem of insuring full and accurate weight and measure, and take the necessary steps to provide effective machinery for protection in their localities.

"This protection is of value to the honest merchant as well as to the consumer."

The bulletin describes what is being done currently in States and cities to enforce weight-and-measure standards and to test measuring devices.

### Program outlined

Pointing out that millions of dollars are saved each year for consumers by these activities, the bulletin outlines a program for individual consumers and organizations to supplement and strengthen existing agencies and methods of enforcement where necessary.

A summary of a model State law on weights and measures, prepared by the National Conference on Weights and Measures, is included in the bulletin.

"Check Your Weights and Measures" is available on request from the Consumer Division of the National Defense Advisory Commission.

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## MR. HARRIMAN TO LONDON

President Roosevelt has designated W. A. Harriman, OPM Materials Branch Director, special Defense "Expediter" in London to keep the United States apprised of defense needs and Great Britain apprised of production in this country.

## Survey by engineering consultants of the need for community facilities

A group of engineering consultants especially experienced in municipal management is assisting the Division of State and Local Cooperation in appraisal of necessary community facilities in "defense areas," Frank Bane, Director of the Division, announces. These consultants have been sent to various parts of the country where a lack of defense-connected community facilities might impede national defense.

Such facilities include, for example, water supply, sewage disposal, city streets, schools, recreation centers, and others.

This intensive survey, which is expected to be completed within 30 days, is being made by the Division of State and Local Cooperation in connection with operations of the Office of Production Management and the Advisory Commission to the Council of National Defense. It was launched at a conference called by the Division in Washington February 21.

### Purposes of the survey

Purposes of the survey include determination of the need for defense-connected community facilities the absence or lack of which will impede, or is impeding national defense; what resources the locality or State has to meet these needs; what, if any, amount of Federal funds appears necessary; and the degree of urgency of the need for various facilities.

The plan of the survey provides for consultation with State and local officials, executive officers of the State and any local defense councils, and others concerned with problems involved.

"States and localities generally are cooperating with the Division in its efforts to see that no lack of necessary community facilities impedes or retards the general defense effort," states Mr. Bane. "Within the near future, the Division of State and Local Cooperation will have in hand facts and figures with respect to some 60 or 70 such areas."

### Two types

So-called "defense areas" can be divided into two general categories, those in which there are defense industries, and those adjacent to military concentrations.

In general, the city managers have been made available to the Division by municipalities throughout the country which have, without exception, cooperated wholeheartedly and effectively in the national defense program. The cities in question are lending their city managers to undertake this survey of community facilities in defense areas.

Procedures and assignments of specific areas to be surveyed were determined at a conference of the engineers held under the direction of the Division in Washington on February 21.

### Agencies represented

At this conference were representatives of Federal agencies concerned with various aspects of community problems, including representatives of the United States Office of Education, the United States Public Health Service, United States Public Roads Administration, the Federal Works Agency, the Defense Coordinator for Health, Welfare, Recreation, and related defense activities, and other interested agencies.

Following is a list of the city managers serving with the Division as engineering consultants, together with the States in which specific areas are to be surveyed:

Alabama and Mississippi—Mr. R. W. B. Hart of Lynchburg, Va.; Georgia and Florida—Mr. Roy Braden of Greenbelt, Md.; Tennessee and Arkansas—Mr. R. M. Cooksey of Thomasville, N. C.; Virginia, North Carolina, and South Carolina—Mr. I. C. Brower of Fort Lauderdale, Fla.; Louisiana and Missouri—Mr. Carl Smeddberg of Greensboro, N. C.; Oklahoma, Iowa, and Minnesota—Mr. Bryan Miller of Wichita Falls, Tex.; Texas—Mr. H. I. Stites of Burbank, Calif.; California—Mr. John Ames, of Ames, Iowa; Oregon and Washington—Mr. Don McMillan of Ventura, Calif.; Wisconsin and Indiana—Mr. Edward S. Clark of Kalamazoo, Mich.; Illinois—Mr. D. E. A. Cameron of Toledo, Ohio; Michigan—Mr. James E. Barlow of Portland, Maine; Rhode Island—Mr. C. A. Harrell of Schenectady, N. Y.

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## 4,741,971 ALIENS

Attorney General Jackson announced 4,741,971 aliens in continental United States and 100,511 aliens in the Territories were registered from July 15, 1940, to January 15, 1941, exclusive of 48,620 alien seamen and 23,038 foreign consular officials and employees.

Approximately 37 percent of the Nation's alien population, the report stated, is concentrated in two States—25.7 percent in New York and 11.1 percent in California.

# PRODUCTION . . .

## Newly appointed production board will undertake industrial planning for defense and civilian requirements for the emergency, and for post-emergency readjustments

Appointment of a Production Planning Board was announced February 20 by John D. Biggers, Director of Production, with the approval of the Director General and the Associate Director General of the Office of Production Management.

This Board, which held its first meeting in Washington February 21, will advise both as to industrial planning during the emergency and as to post-emergency readjustments. As bases for such recommendations it will study production experience during the World War, the Industrial Mobilization Plan of the War and Navy Departments, and the procedure followed during the past 8 months by the Advisory Commission to the Council of National Defense and the War and Navy Departments. The Board will make recommendations both for defense and civilian requirements.

Representatives of the Army and Navy, industry, labor, and scientific research will have places on the Board, which also will have the benefit of the most authoritative current information on the defense requirements of Great Britain. Members of the Board have had broad experience in their respective fields, particularly as they apply to the problems of industrial mobilization.

"This Board has been established in recognition of the importance of both short- and long-term planning of the defense effort and its effects on the national economy as a whole," Mr. Biggers declared.

Members of the Board are:

Samuel Richard Fuller, chairman. Mr. Fuller is president of the North American Rayon Corporation, whose manufacturing plant is in Tennessee, and also president of the American Bemberg Corporation. Mr. Fuller's earlier years were spent in the steel and malleable iron casting industry. He had charge of steel and machine tool procurement for the Navy Department during the World War and won high commendation from Bernard Baruch, chairman of the War Industries Board, and others for his services.

Harry E. Hopkins, former Secretary of Commerce, former WPA Administrator, and recent special representative of the President in England.

Admiral William Harrison Standley, U. S. N. (retired). Admiral Standley was Chief of Naval Operations from 1933 to 1937, and during that period frequently served as Acting Secretary of the Navy during the illness of the late Secretary Claude Swanson. He was a member of the delegation of the United States to the London Naval Conference of 1935, and signed the London Naval Treaty on behalf of the United States. He is a recipient of the Spanish Campaign Medal, the China Relief Expedition Medal, the Philippine Campaign Medal, the Mexican Campaign Medal, and the Victory Medal.

Maj. Gen. James Henry Burns, U. S. A. Gen. Burns, a graduate of West Point in 1908, has served in this country, Mexico, France, and the Philippine Islands. His tours of duty include assignments in the office of the Chief Ordnance Officer, the office of the Assistant Secretary of War, Commander of the Raritan Ordnance Depot, the office of the Chief of Staff and, in 1936, Executive Officer, office of the Assistant Secretary of War. He was promoted to the rank of Major General on October 1, 1940. He was awarded the Distinguished Service Medal for his accomplishments during the World War, when he served in France in the office of the Chief Ordnance Officer.

George W. Meany, secretary-treasurer, American Federation of Labor, and former president of the New York State Federation of Labor. He is a member of the United Association of Plumbers and Steamfitters.

James B. Carey, secretary of the Congress of Industrial Organizations, and general president of the United Electrical, Radio and Machine Workers of America. Mr. Carey is also chairman of the Committee on Unemployment, CIO, and a member of the Board of Directors of the National Consumer's League. He has served on Labor Department committees and was a United States labor delegate to the Havana Conference in 1939.

John L. Pratt, of Fredericksburg, Va.: Mr. Pratt retired 6 years ago from his position as executive vice president of General Motors Corporation in charge of all parts and accessory divisions. He has had broad experience in the chemical and mechanical industries, and has made a study of industrial mobilization as a member of the War Resources Board, appointed to study the Industrial Mobilization Plan after the outbreak of the European War in the fall of 1939.

William E. Levis, of Toledo, Ohio: Mr. Levis is chairman of the Board of the Owens-Illinois Glass Company. In addition to broad manufacturing experience in the glass container, metal, paper, and plastic fields, Mr. Levis has a distinguished record of active foreign service in the Infantry during the World War, and a knowledge of the War Department's Industrial Mobilization Plan gained through active participation in the problems of the Production Planning Division of the Surgeon General's Office. He has been a member of the Officer's Reserve Corps since the close of the World War.

Robert E. Doherty, president of the Carnegie Institute of Technology: Dr. Doherty holds degrees from the University of Illinois, Yale University, Tufts College, and the University of Pittsburgh. He was dean of the School of Engineering at Yale from 1933 to 1936, and has been president of the Carnegie Institute of Technology since 1936. After varied experience in test, designing, and construction engineering, Dr. Doherty was assistant to Dr. C. P. Steinmetz from 1918 to 1923. He is a member of the Pittsburgh Housing Authority, the American Institute of Electrical Engineers and the Society for the Promotion of Engineering. He is co-author of *Mathematics of Modern Engineering*.

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## At present consumption rate tin supplies sufficient for at least 15 months

A warning against continuance of the present unstable condition in the tin market was issued February 20 by W. A. Harriman, chief of the materials branch, Division of Production, Office of Production Management. This condition might have unfortunate repercussions on the defense program and the national economy as a whole, he said.

Mr. Harriman pointed out that, as an apparent result of the unsettled situation in the Far East, heavy buying on the New York market has advanced the price of tin for early delivery from around 50 cents a pound to 54 cents a pound within the past week.

He declared that actual supplies of tin already stored in this country and already afloat beyond any danger zone are sufficient to meet requirements at the present rate of consumption for at least 15 months without resorting to conservation or substitution.

"Under these circumstances," Mr. Harriman stated, "buying practices which increase the price of tin are not only prejudicial to the interest of general price stability but are extremely short-sighted."

"Everyone should realize that in the event our supplies of tin from the Far East should be interrupted, immediate steps would be taken to conserve our supplies, and all stocks, whether in Government or private hands, would become subject to allocation on the basis of the requirements of the national defense. It therefore should be apparent that the bidding up of prices will neither increase the total supply of tin in the country nor the amount available to particular consumers, no matter what they may have paid for it."

## Aircraft, Ordnance, and Tools Sections, Division of Production, get additional key personnel

Further organization and key personnel of the Division of Production, Office of Production Management, were made public February 17 by John D. Biggers, Director of the Division.

The Division of Production, operating under the Director General and Associate Director General of the Office of Production Management, has three branches—Materials; Aircraft, Ordnance, and Tools; and Ships, Construction, and Supplies.

Mr. Biggers announced appointment of key personnel of the Aircraft, Ordnance, and Tools Branch. Subsequent announcements will be made covering the other two branches.

As previously announced, Chief of the Aircraft, Ordnance, and Tools Branch is E. F. Johnson, who served as director of the light ordnance section of the Production Division, National Defense Advisory Commission. Before retirement from private business, Mr. Johnson held an executive position with General Motors Corporation.

Under Mr. Johnson's branch are three sections—Aircraft, Ordnance, and Tools.

### Aircraft Section

Chief of the Aircraft Section is Merrill C. Meigs, publisher and advertising executive, who was formerly director of the Aeronautical Section, Production Division, National Defense Advisory Commission. Mr. Meigs was advertising director of the *Chicago American*, and in 1926 became publisher of the *Chicago Herald-Examiner*, now the *Herald-American*. He is now on leave from that position.

T. P. Wright, former vice president and chief of research engineering of the Curtiss-Wright Airplane Corporation, will be assistant to Mr. Meigs.

Under the Aircraft Section are three units: Engineering, production planning, and manufacturing.

*Engineering unit.*—The chief is Maj. E. M. Powers, who has been assigned to work with the Office of Production Management by the Air Corps of the United States Army. Major Powers has been in Army service since 1918, and was gradu-

ated from the Air Corps Aeronautical Engineering School in 1931.

*Production planning unit.*—The chief is Dr. A. E. Lombard.

*Manufacturing unit.*—The chief is A. J. Brandt, who has had wide experience in the explosives, chemical, and automobile industries. Mr. Brandt resigned his business connections as president of A. J. Brandt, Inc., consulting engineers, and president of the National Tool Co. to join the staff of the Aircraft Division.

### Ordnance Section

Chief of the Ordnance Section is A. R. Glancy, who was graduated from Lehigh University as a mechanical engineer. Mr. Glancy was associated with E. I. duPont de Nemours during the World War, and later joined General Motors Corporation of which he became vice president. He also served as president of the Pontiac Motor Co., holding both positions until 1931. Since 1931 he has headed A. R. Glancy, Inc., Detroit, Mich.

There are four units under the Ordnance Section: Artillery, fire control, and optical; explosives, artillery, ammunition, bombs; small arms and their ammunition; and tanks and combat vehicles.

*Artillery, fire control, and optical unit.*—The chief is L. E. Osborne, who is on leave of absence from his position with the Westinghouse Electric & Manufacturing Co.

*Explosives, artillery, ammunition, bombs unit.*—The chief is Louis de B. McCrady, who was graduated as an engineer from Clemson College in 1909. Mr. McCrady was associated with E. I. duPont de Nemours and was sent to Canada to renovate various commercial explosives plants and the plant of the Dominion Cartridge Co. in 1911. He held the position of chief engineer of Canadian Industries, Ltd., at the time of his retirement in 1939.

*Small arms and their ammunition unit.*—The chief is E. S. Chapman. Mr. Chapman formerly held an executive position with the Gisholt Machine Co. at Madison, Wis., and in 1928 joined the Chrysler Corporation, later becoming vice president of the Plymouth Division. He is now on leave of absence from Chrysler Corporation.

*Tanks and combat vehicle unit.*—The chief is W. W. Knight, Jr. Mr. Knight

is a graduate of Yale University and Harvard Business School. His past business connections was with the Michigan Alkali Co. where he held the position of assistant general manager in charge of engineering, research, personnel, and accounting. Mr. Knight was one of the first men to become affiliated with the Defense Commission in his capacity as assistant director of the tank truck, and tractor section, and administrative assistant to Mr. Biggers.

### Tools Section

Chief of the Tools Section is Mason Britton, who was in charge of the machine tool section of the National Defense Advisory Commission from its inception. Mr. Britton is vice chairman of the McGraw Hill Publishing Co., from which position he has taken a leave of absence to work with the defense program.

Mr. Britton will have two assistant chiefs: Howard Dunbar and Alvin B. Einig.

Mr. Dunbar, who will have the title of technical chief, is vice president and general manager of the machine division of the Norton Co., with which he has been associated for 27 years. He is a past president of the National Tool Builders' Association and of the American Society of Mechanical Engineers, Worcester division. He is on leave of absence from his company at the present time.

Mr. Einig is general manager of the Motch-Merryweather Machinery Corporation. During the World War he was assistant chief of the machine tool section of the War Industries Board.

Under the Tools Section will be eight units: Machine tools; foundry equipment; gauges; heat treating equipment; cranes; mill equipment and supplies; machine tool electrical equipment; and forge equipment and presses. The first six units have been established, and the other two will be set up at an appropriate time.

*Machine tools unit.*—The chief is Mason Britton.

*Mill equipment and supplies unit.*—The chief is H. H. Kuhn, president of the Hardware & Supply Co.

*Heat treating unit.*—The chief is Bradley Stoughten, dean of the Department of Metallurgical Engineering of Lehigh University.

*Crane unit.*—The chief is Sidney Buckley, president of the Sheppard Niles Crane Co.

Personnel of the additional units will be announced later.



# AGRICULTURE . . .

## Discussion of the livestock situation of the United States—by J. B. Hutson, Deputy Commissioner of the Agriculture Division

Difficult problems facing livestock producers, due to their inability to maintain an adequate labor force in the face of expanding industrial activity in the defense program, were discussed by J. B. Hutson, deputy commissioner of the Agricultural Division, at the sixteenth annual meeting of the Producers Cooperative Commission Association at Cincinnati, Ohio, February 20. However, Mr. Hutson said that livestock producers are much more favorably situated than many farmers in the export crop areas.

"In the past, livestock prices have not been such as to enable livestock operators to pay labor rates equal to those paid industrial workers," Mr. Hutson said. "Consequently, you may be forced to call upon labor that may not understand livestock farming and perhaps many of you will have to give more attention to labor-saving devices."

Mr. Hutson pointed out that the defense program had stimulated industry to the highest level on record and that although agriculture as a whole would not share proportionately in the increase, livestock producers would.

### Past experience

"In the past, consumer expenditures for meat and meat products have shown a tendency to increase in direct proportion to changes in the income of workers in the industrial areas," he said. "During the 5-year period 1935-39, the nonagricultural income averaged about 60 billion dollars annually. In 1940, it was 67 billion dollars, and with increased expenditures for defense purposes the nonagricultural income in 1941 probably will exceed 75 billion dollars."

"If this increase in nonagricultural income takes place this year, an increase in consumer expenditures for meat and meat products of fully 12 percent above 1940, and fully 25 percent above the annual average expenditure of the 1935-39 period, would be in line with past experiences."

He added that according to present indications the combined production of

beef, veal, lamb, and mutton in 1941 will be about 4 to 5 percent above that of the 1935-39 period, and pork production in 1941 will be about 15 or 20 percent above that of the five-year period.

"This would suggest that roughly between one-third and one-half of the increase in demand in 1941 will be taken care of by larger marketings and the remainder will be reflected in prices higher than those prevailing during the 1935-39 period," Mr. Hutson said. "In recent weeks hog prices have been about one dollar per 100 pounds below the average of the 1935-39 period, and the beef-cattle prices from one to two dollars above prices during the 5-year period."

In view of the extremely low hog prices of last year, Mr. Hutson warned producers of the dangers in excessive stimulation of production that might result in bringing in producers in areas not adapted to commercial production, until supplies would be excessive in later years when demand conditions may be less favorable. He advocated meeting the larger demand in 1941 with larger marketings in order to avoid if possible excessive production and low prices in later years.

Mr. Hutson pointed out that the loss of export markets was the problem of all the Nation's producers since those farmers who normally produce for a large export market will be forced into competition with producers who now serve the domestic market exclusively, unless there is substantial industrial development in the export areas or the export markets are regained.

### Methods of aid

He recommended immediate action to aid those farmers in the export area, first, by helping them turn to other undertakings through the location of some of the defense industries in these areas, and secondly, by helping the people in these areas to have a better diet.

As aids in solving the dietary problems and helping move agricultural services, Mr. Hutson mentioned the Food Stamp Plan and other devices to increase the food consumption of low-income and relief groups.

## Inventory of the food resources of the United States; experts from 10 Government agencies

An inventory of United States food resources is being made by the Food Supply Section of the Agricultural Division, National Defense Advisory Commission, in cooperation with other governmental agencies, Chester C. Davis, Commissioner in charge of the Agricultural Division, announces.

More than 100 Government experts are serving on the planning and procedure committee and on the 14 subcommittees working under the direction of George Livingston, chief of the Food Supply Section. These members represent 10 Government Departments and Government agencies.

### Balance sheet

A "balance sheet" of complete information on each food, and facilities for its processing, warehousing, and distribution, will be set up from information submitted by the subcommittees. Staff specialists will keep these balance sheets current for use in defense planning.

Food requirements for the armed forces, the civilian population, exports, supplies for England, and for European relief will be given detailed study in the survey of the over-all food situation in its relation to national defense.

### Preliminary reports

First steps in this study have been completed with the preliminary reports of the committees on hand.

In order to simplify and expedite the gathering of all pertinent data relating to the Nation's food supply, George Livingston, chairman of the planning and procedure committee, has set up 14 subcommittees dealing with every phase of the food situation. These committees, and their chairmen, are:

*Grains, cereals, and forage*, Joseph A. Becker, Agricultural Marketing Service; *livestock and meats*, C. L. Harlan, Agricultural Marketing Service; *dairy*, Edmond E. Vial, Bureau of Agricultural Economics; *poultry*, W. D. Termohlen, Surplus Marketing Administration; *fish*, R. H. Fiedler, Fish & Wildlife Service, Department of the Interior; *fats and oils*, Charles E. Lund, Bureau of Foreign and Domestic Commerce; *fruit, vegetables, and nuts*, Reginald Royston, Agricultural Marketing Service; *canned, dehydrated, and frozen foods*, C. E. Birgfeld, Bureau of Foreign and Domestic Commerce; *sugar, molasses, sirups, and honey*, Warren C. Funk, Tariff Commission; *tropical food products*, Mary L. Bynum, Bureau of Foreign and Domestic Commerce; *seeds*, George C. Edler, Agricultural Marketing Service; *tobacco*, Charles E. Gage, Agricultural Marketing Service; *food requirements*, O. C. Stine, Bureau of Agricultural Economics; *food distribution*, Frederick V. Waugh, Bureau of Agricultural Economics.



# DEFENSE

★ OFFICIAL BULLETIN  
★ of the NATIONAL DEFENSE  
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## Authorization for exportation to Great Britain and Northern Ireland of certain articles without the requirement of an individual license

Under the provisions of Presidential Proclamation 2143, approved July 2, 1940, the Secretary of State is authorized to issue or deny export licenses, covering articles or materials, subject to export control, in accordance with specific directives communicated to him by the Administrator of Export Control.

In accordance with directives issued by Brig. Gen. Russell L. Maxwell, Administrator of export control, the Department of State, on March 3, notified all Collectors of Customs that general licenses, in accordance with the provisions of Executive Order 8640, have been issued, permitting the exportation to Great Britain and Northern Ireland of a number of the articles and materials subject to the requirement of a license.

Collectors of Customs, under these instructions, are authorized to permit any exporter, without the requirement of an individual license, to export to Great Britain and Northern Ireland any of the licensable articles and materials on the following list:

### License No.—

GAA 2 for aluminum.  
GAB 2 for antimony.  
GAC 2 for asbestos.  
GAD 2 for chromium.  
GAE 2 for cotton linters.  
GAF 2 for flax.  
GAH 2 for hides.  
GAJ 2 for manganese.  
GAK 2 for magnesium.  
GAL 2 for manila fiber.  
GAO 2 for molybdenum.  
GAP 2 for optical glass.  
GAR 2 for quartz crystals.  
GAU 2 for silk.  
GAW 2 for toluol.  
GAY 2 for vanadium.  
GAZ 2 for wool.  
GBA 2 for ammonia.  
GBB 2 for chlorine.  
GBC 2 for dimethylaniline.  
GBD 2 for diphenylamine.  
GBE 2 for nitric acid.  
GBF 2 for nitrates.  
GBG 2 for nitrocellulose.

(Continued on page 11)

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## Letter from Mr. Knudsen to holders of defense contracts urging recruiting of workers through State employment offices of the United States Employment Service

The following letter was sent February 27 to all holders of defense contracts:

Some months ago the National Defense Advisory Commission called the attention of employers having defense contracts to the desirability of recruiting their workers through local State-operated employment offices of the United States Employment Service. Recent developments in the labor market and the increasing emergency growing out of the defense program now make it more necessary than ever that employers having defense orders utilize the public employment service.

Some employers have observed the Commission's recommendations; others, instead of fully utilizing the local labor supply through the medium of their local public employment office, have engaged in labor scouting and Nation-wide advertising, and have needlessly duplicated existing recruitment and placement facilities. These practices result in unnecessary migration of labor, high rates of labor turn-over, disturbances of established labor standards in local areas, and other wasteful and inefficient practices which the Nation cannot afford when every effort must be bent toward full and efficient utilization of all of our resources.

All employers are urged to use public-employment offices for the recruitment of workers. No employer should attempt by any methods to recruit labor from outside his local area or engage in any advertising, local or otherwise, without first consulting with the local public employment office as to the necessity of such action and as to the methods to be employed.

The public employment service consists of a Nation-wide network of 1,500 local offices established for the purpose of assuring full utilization of the local labor supply. The service maintains a Nation-wide clearance system through which needed labor may be obtained after the exhaustion of the local supply. Its representative is available at all times to assist an employer with his particular labor-procurement problems. It cooperates closely with labor organizations whenever employers have agreements or understandings with such organizations.

The Office of Production Management expects you to make the maximum practicable use of the public employment service, to inform the local office of that service in advance of your labor requirements, and to refrain from engaging in recruitment efforts outside of your locality. May we count on your voluntary cooperation and the observance of these recruitment practices designed to further our national-defense effort.

Sincerely,

WILLIAM S. KNUDSEN.

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# DEFENSE

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WILLIAM H. McREYNOLDS, *Secretary of the Commission.*



NELSON ROCKEFELLER, *Coordinator of Commercial and Cultural Relations Between the American Republics.*

## FEBRUARY QUOTA FOR NURSES FILLED

The War Department announced February 24 that the February quota of 325 nurses needed to staff hospitals at Army training centers at Fort Devens, Mass., Indiantown Gap, Pa., and Camp Forrest, Tenn., has been reached.

## Urgent appeal for the immediate sale of idle machine tools to manufacturers working on defense contracts; unprecedented demand in the armament program

An urgent appeal for the immediate sale of idle machine tools to manufacturers working on defense contracts was issued March 1 by Mason Britton, chief of the machine tool section, Office of Production Management.

The unprecedented demand for machine tools in the armament program makes it essential that during the critical period ahead every available piece of machinery be placed at the immediate disposal of defense production, Mr. Britton stated.

### Large numbers idle

It is well known, he declared, that there are large numbers of idle machine tools in the factories and shops of the Nation. In other cases, duplicate machines are employed part time where one machine could do the work now being done by two, and the second one sold for use in important defense work.

"Owners of such equipment," Mr. Britton stated, "will perform a patriotic service to the defense program and the entire country if they will offer for immediate sale all machine tools that are not engaged in current production."

### Direct or through dealers

Such sales can be made either direct to defense contractors or through second-hand machine tool dealers who are in a position to recondition them and contact manufacturers in need of such equipment.

In this connection, it is pointed out that since the Price Stabilization Division of the National Defense Advisory Commission has established maximum prices for second-hand machine tools, such equipment can no longer bring exorbitant prices.

At the same time, with the large demand for machine tools that now exists, reasonable prices can be obtained.

### Demand for heavier types

The most urgent demand is for boring mills, planers, radial drills, lathes, and milling machines, especially machine tools of the heavier type. Such equipment is known to be idle or semi-idle in the automotive, railroad, canning, min-

ing, textile, paper, printing equipment, and other industries.

"Despite the remarkable record of the machine tool industry in expanding output of new equipment from a value of \$200,000,000 in 1939 to an estimated \$750,000,000 in 1941, the need for more machine tools is extremely urgent," Mr. Britton declared.

"In view of the necessity of immediately expanding the production of armaments," he stated, "this appeal is being made to the patriotism of every owner of a single idle machine tool."



## Warning from Mr. Henderson that first "ceiling price" for machine tools went into effect March 1

At the same time, buyers and sellers of second-hand machine tools were warned by Leon Henderson, Commissioner of the Price Stabilization Division, National Defense Advisory Commission, that the first "ceiling price" established by the Government during the present emergency went into effect March 1.

This schedule, issued February 17, sets maximum prices at which various classifications of machine tools may be sold.

"From now on," Mr. Henderson said, "businessmen will be able to buy these machine tools at reasonable prices whether they buy through dealers or direct."

The price limitations apply to both dealers and manufacturers who wish to dispose of surplus machine tools. An owner who tries to dispose of machine tools at a price above the maximum will be in violation of the order whether he sells to a dealer or direct to a user.

Copies of the price schedule have been sent to more than 550 dealers in second-hand machine tools, and reports are now coming in from these dealers listing their stocks on hand and the prices at which they are being offered.

Reports on tools sold during March must be submitted to the Division by the dealers on or before April 10.

# PRIORITIES . . .

## Aluminum and machine tools brought under formal priorities; those used in filling British orders given same status; other materials, metals, and commodities now under various types of priorities

Aluminum producers and machine tool builders on February 24 were put under a mandatory priority status, E. R. Stettinius, Jr., Director of Priorities, announced. He said the steps taken, made necessary by the national defense program, represent the first industry-wide, mandatory priority action by the Priorities Division.

### British requirements have equal status

Supplementing this action, the Priorities Division on February 28 issued instructions that orders for aluminum and machine tools to be used directly or indirectly in filling British defense requirements should be given equal standing with orders for the Army and Navy.

### Various types of priority action

A classified list of important raw materials, metals, and other commodities on which priority action has been taken by the Division also was issued. Mr. Stettinius pointed out that the imposition of formal priorities is only one of several steps which can be taken, and said that his division, in actual practice, has employed a number of other techniques to meet specific problems. Actions taken so far by the Priorities Division fall into three broad classes:

**I. Formal priorities.**—Cases in which priority ratings have been formally applied by the Division.

**II. Allocations.**—Cases in which the principle has been employed on a broad scale, action being taken in the form of specific allocations, with or without actual issuance of ratings.

**III. Cooperation.**—Cases in which the general principle of the system has been applied informally and on a voluntary basis.

The list given out by Mr. Stettinius follows:

### Formal priorities

**1. Machine tool builders.**—Because of the vital necessity for rapid expansion of

the machine-tool-making industry, many machine-tool builders have been given a blanket priority privilege for the acquisition of machinery and other equipment. Manufacturers of gages also were given a blanket rating for the acquisition of equipment. This blanket status expires March 31, 1941, though it can be extended if necessary.

**2. Machine tools.**—The makers of machine tools were requested on January 31 not to fill orders for customers without priority ratings after the end of this month. This action has now been made mandatory. Requests for ratings from a number of schools and other educational institutions engaged in training workers have not been granted, on the ground that the equipment is more essential in defense plants. Efforts are being made to handle this phase of the problem by aiding such institutions to locate and acquire second-hand tools adequate for training purposes.

**3. Aluminum.**—Aluminum producers have been ordered to serve defense needs ahead of civilian needs, except as otherwise directed on specific allocation, based on submission of order books to the Priorities Division once each month, as described below under the heading of Allocations.

This action was made necessary by adverse changes, such as the indication that large quantities of scrap aluminum were being withheld from the market; the step-up in the British military program which caused a complete shut-off in January of the 3,000,000 pounds of aluminum ingot per month which we were getting from Canada; the increased demand of aluminum fabricators; the tendency of industrial users to pile up inventories; and the increased demand on aluminum supplies by civilian consumers.

**4. Foreign orders.**—A number of orders placed in this country by foreign govern-

ments, largely in the machinery and equipment field, have been granted priority ratings, and certificates have been issued.

**5. Vital defense plants.**—In cases where the quick expansion of plant facilities has been considered vital because these plants were producing defense material, companies have been granted priority certificates for various kinds of equipment needed in their expansion.

So far, including both foreign orders and domestic contracts, the Priorities Division has issued more than 1,500 priority certificates in addition to the blanket ratings mentioned above. The Army and Navy Munitions Board, of course, has issued many thousands of ratings for "critical list" contracts.

### Allocations

**1. Aluminum.**—Certain aluminum forgings and fabricated parts are on the critical list, and therefore subject to automatic rating by the Army and Navy. In addition, aluminum generally has now been subjected to mandatory priority action to make sure that defense needs get first call. Aluminum producers have been ordered to submit all order books once each month, for allocation of available aluminum in the interests of defense, an action which, in the light of the present shortage, will mean some diminution in the supply available for ordinary civilian purposes. Additional action has been initiated to see that all necessary scrap flows promptly to defense channels.

**2. Magnesium.**—This metal, like aluminum an important defense commodity, has been given complete preferential status for defense needs. In mid-February producers were instructed to fill only defense orders for the following 90 days.

**3. Neoprene.**—The Priorities Division has supervised the allocation of this synthetic rubber, highly useful in defense production, to see that it is properly distributed to defense purposes.

**4. Commercial aircraft.**—While it is obvious that the military aircraft program is of paramount importance, it is the policy of the Priorities Division to see that the reasonable needs of the civil aviation industry are met, and to aid the air lines in maintaining their high safety standards and their standards of main-

tenance. This whole question is now being considered jointly by representatives of the Priorities Division and representatives of the Army and the Navy.

### Cooperation

1. *Zinc*.—The tight situation in the production and the industrial utilization of zinc has led to general but informal action by the Priorities Division. Zinc producers, after conferences with officials of the Priorities Division, have taken effective steps to facilitate the flow of zinc into military brass, and nondefense consumers have been urged to cooperate voluntarily and to effect substitutions and economies. So far, no formal priority action has been taken, though the question is still under consideration.

2. *Potassium perchlorate*.—This chemical enters into both military and civilian channels. It is used for military flares, for public safety flares, and for the production of fireworks. Because of the shutting off of European shipments, there will not be enough to go around to all consumers. The producers have agreed to supply all military needs first, to take care of manufacturers making safety flares, and to make necessary cuts in the quantities flowing to nondefense purposes.

3. *Structural steel shapes*.—Efforts to expedite the flow of structural steel shapes into defense construction were inaugurated when consumers began to experience difficulties in obtaining these necessary construction supplies on short delivery. As a result of a conference between representatives of the Priorities Division and the steel companies, producers have undertaken to fill defense orders as promptly as possible.

4. *Stainless steel*.—This product, into which nickel enters as an important part, is widely used for both defense and civilian purposes. Slow deliveries have developed, and the Priorities Division is taking preliminary steps to try to ease this situation. No formal priority action has been taken. The leading producers of stainless and other nickel steels, at the request of the Priorities Division, have agreed to give first call to defense needs and to give technical advice to their clients which may help to reduce the amount of nickel required under present specifications.

Other metals, probably due for some degree of priority action, but not yet formally acted upon, are nickel itself and tungsten.

The list given out by Mr. Stettinius does not cover "automatic" assignment of

preference ratings by the Army and Navy Munitions Board and officers and inspectors of these two services. The latter, for administrative efficiency, are authorized to grant certain "automatic" preference ratings for items on the "critical list."

This list, jointly maintained by the armed services and the Priorities Division, sets forth specifically those items on which such "automatic" ratings may be granted. The list is chiefly made up of completed military items and does not include raw materials and many other commodities ordinarily used in civilian channels.

All other priority questions are administered directly by the Priorities Division of the Office of Production Management, in which the President has reposed his statutory authority for the priorities system.

### Priorities action flexible

Mr. Stettinius said that the list given out February 24 represents merely the present approach being followed in the specific cases mentioned. The action in any case can be quickly modified, relaxed or strengthened, and it is apparent that a number of changes may have to be made.

In addition to the steps mentioned, various other approaches are being used in some cases and considered for others, such as blanket low ratings to put appropriate defense activities bodily ahead of conflicting civilian activities, Mr. Stettinius said. These may come more into use, if and when this seems wise. The priorities system is not a rigid one, he pointed out, and can be adapted to meet situations as they present themselves, and the approach can and will be changed as the problems change.

"It is very important," said Mr. Stettinius, "that the system should work efficiently to implement the acquisition of material by the armed forces, always keeping in mind the continuing needs of the regular civilian economy. We can adopt any technique which seems to meet these tests. We are trying to make the treatment fit the situation and not trying to fit the situation to a preconceived treatment."

Mr. Stettinius added that, while every priority action taken is almost certain to cause difficulty for someone, at least temporarily, all efforts are being made, with the aid of labor advisers and other consultants, to avoid unnecessarily throwing men out of work or injuring established industrial activities.

## Investigation of the difficult situation in tungsten by the minerals and metals group; tool steel manufacturers urged to give consideration to the use of substitutes

An investigation of the difficult situation in tungsten, an important defense metal because of its broad uses in the manufacture of high-speed cutting tools and military products, has been inaugurated by the minerals and metals group of the priorities Division, Office of Production Management.

E. R. Stettinius, Jr., Director of Priorities, announced that the problems involving tungsten supplies were discussed at a meeting in New York attended by representatives of the tool steel industry and by Dr. Samuel S. Stratton, general assistant director of the minerals and metals group, and by Walter Tower, producers' representative on the steel priorities committee.

### Substitutes

The tool steel manufacturers were urged to give every consideration to use of substitutes for tungsten wherever possible and to suggest the desirability of such substitutes to their customers.

This would include the use of molybdenum tool steels or other alloy combinations which have been proved to be acceptable substitutes in many processes.

Emphasis was given to the necessity for filling defense orders for tungsten tool steel ahead of nondefense requirements. The producers agreed to make every effort to do so. A close check is to be kept on the tungsten situation, however, so that additional steps can be taken when and if necessary.

### Strategic metal

Tungsten is listed as a "strategic metal"—that is, one which is not produced in sufficient quantities in this country to serve all defense purposes. Large supplies have come in the past from China, recently over the Burma Road, but these shipments are now somewhat uncertain and any developments which cut them off entirely would present serious problems.

In addition to its uses in the manufacture of cutting tools, tungsten is used in the production of small armor-piercing projectiles and armor plate. It is also used in the manufacture of valves for internal combustion engines, for electric-light filaments, and for a number of other civilian purposes.

# PURCHASES . . .

## Compilation of defense contracts cleared and awarded, February 20 through February 26

Defense contracts totaling \$54,887,403 were awarded by the Army and Navy and cleared by the Division of Purchases, Office of Production Management, during the period February 20 to February 26, inclusive.

This compares with \$143,028,815 for the previous week, and \$33,491,192 for the period ended February 12. Contracts amounting to \$500,000 or more are cleared by the Division of Purchases of the Office of Production Management.

Cleared contracts awarded by the War Department during the latest period totaled \$30,644,001, and by the Navy Department, \$24,243,402.

### EQUIPMENT AND SUPPLIES

#### NAVY

The International Nickel Co., Inc., New York, N. Y., nickel, copper alloy, \$1,473,090.10.

Edward G. Budd Mfg. Co., Philadelphia, Pa., pipes, smoke and upstakes, lower and upper, \$567,862.

Breeze Corporation, Inc., Newark, N. J., starters, aircraft, \$540,260.

#### CONSTRUCTION

J. F. Fitzgerald Construction Co., Boston, Mass., construction of pier at Navy Yard, estimated cost, \$725,000.

Two contractors: F. H. McGraw & Co., Hartford, Conn., and Purdy and Henderson Co., Inc., New York, N. Y., construction of aviation facilities at Naval Air Station, Bermuda, estimated cost, \$9,150,000.

Chambersburg Engineering Co., Chambersburg, Pa., expansion of ship-building facilities, \$661,000.

Worthington Pump and Machinery Corporation, Harrison, N. J., expansion of shipbuilding facilities, \$600,000.

Lake Washington Shipyards, Houghton, Wash., expansion of shipbuilding facilities, \$700,000.

American Tool Works Co., Cincinnati, Ohio, expansion of shipbuilding facilities, \$740,571.71.

Monarch Machine Tool Co., Sidney, Ohio, expansion of shipbuilding facilities, \$500,000.

Birdsboro Steel Foundry Machine Co., Birdsboro, Pa., expansion of shipbuilding facilities, \$600,000.

Camden Forge Co., Camden, N. J., expansion of shipbuilding facilities, \$3,125,619 (original contract for \$2,873,695 previously announced, supplemental, \$251,924).

George A. Fuller Co. & Associates, dredging, bulkhead, tender pier, temporary facilities, etc., at Naval Air Station, Argentia, Newfoundland, \$4,860,000.

### CONSTRUCTION

#### WAR

American Brass Company, Waterbury, Conn., construction of plant, machinery and equipment at Kenosha, Wis., for the manufacture of ammunition brass and ammunition cups, \$4,750,000.

Bridgeport Brass Co., Bridgeport, Conn., construction of plant, machinery and equipment at or near Indianapolis, Ind., for manufacture of cartridge cases, \$11,500,000.

Brecon Loading Company, Wilmington, Del., management services, training personnel, and operation of an artillery ammunition bag-loading plant, \$14,394,001.

The following contracts were announced on February 15 by the Office of Production Management, but not included in a previous compilation:

### CONSTRUCTION

#### WAR

Three contractors: Peter Kiewit Sons Co., Omaha, Nebr.; George W. Condon Co., Omaha, Nebr.; and Woods Bros. Construction Co., Lincoln, Nebr., for construction of completely integrated aircraft manufacturing and assembly plant and air field at Fort Crook, Omaha, \$8,078,000.

Four contractors: William A. Smith Construction Co., Inc., Houston, Tex.; Sharp and Fellows Contracting Co., Los Angeles, Calif.; Armstrong & Armstrong, Roswell, N. Mex.; and L. R. Allison Co., Albuquerque, N. Mex., for construction of an ordnance depot at Fort Wingate, N. Mex., \$8,378,000.

Two contractors: Dunn Construction Co., Inc., Birmingham, Ala.; John S. Hodgson & Co., Montgomery, Ala., for construction of an ordnance depot at Anniston, Ala., \$8,491,592.

Broderick & Gordon, Denver, Colo., for construction of a small-arms ammunition plant at Denver, Colo., to be operated by Remington Arms Co., Inc., \$13,206,390.

### SHIP CONSTRUCTION

Federal Shipbuilding and Drydock Co., Kearny, N. J., construction of C-2 type, steam-propelled cargo ships, \$19,355,000.

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## New food consultant for Division of Purchases

Appointment of Gerrit Vander Hoon, of Grand Rapids, Mich., as consultant on food procurement and distribution problems was announced February 24 by Donald M. Nelson, Director of the Division of Purchases.

## Lumber manufacturers will co-operate in building stock pile

An important step to stabilize lumber prices at a fair level through acquisition by the Army of an extensive lumber stock pile was announced March 1 by Donald M. Nelson, director, Division of Purchases, Office of Production Management.

His announcement followed meetings of southern and west coast lumber manufacturers with the Construction Division of the Quartermaster Corps. The plan is endorsed by the Division of Purchases and the Price Stabilization Division of the National Defense Advisory Commission, whose representatives attended the meetings.

### Manufacturers cooperate

The stock pile will be built up with the cooperation of lumber manufacturers, who have agreed to make and carry the necessary stock until the Army calls for it. Prices were established by competitive bidding, and the lumber will be invoiced and paid for at the time of shipment.

The Army will continue to buy lumber in the usual way for current needs, both under the existing construction program and under any new ones which may be started. The stock pile will be drawn on whenever there are unexpected demands for immediate deliveries; thus the Army will not have to come into the market suddenly with large rush orders, and will not have to face a possible shortage.

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## Appointment of Douglas C. MacKeachie as Deputy Director of the Division of Purchases

Appointment of Douglas C. MacKeachie as deputy director of the Division of Purchases was announced February 24 by Donald M. Nelson, Director of the Division.

Mr. MacKeachie, who has been serving as assistant director and chief of the subsistence section of the Division, has been advising the Quartermaster General's Office on the procurement of foodstuffs, and has been devising plans for the greatly expanded buying program which the increase in Army strength makes necessary. Before coming to the

He succeeds Deputy Director Albert J. Browning, who is returning to his position as president of United Wall Paper Factories of Chicago.

# PRODUCTION . . .

## Announcement of the appointment of seven district coordinators of the Defense Contract Service

Appointment of seven district coordinators of the Defense Contract Service was announced February 28, by Robert L. Mehornay, Director of the Service.

These are the first appointments of field personnel under the recently organized unit of the Division of Production, Office of Production Management.

The facilities of the Federal Reserve System, including part of its personnel, who have been serving as field agents for the Office of Small Business Activities, will continue to be utilized in expanding the field offices of the Defense Contract Service which has taken over the functions of the Office of Small Business Activities.

### Staffs planned

The coordinators will have adequate staffs, consisting of district managers and technical, engineering, and financial experts, who will provide decentralized assistance to prime and subcontractors and potential contractors.

In announcing these appointments Mr. Mehornay said:

"The Defense Contract Service will provide every defense contractor and potential contractor with a source of information and assistance reasonably close to his own plant.

"It is our hope that this service will greatly stimulate the subcontracting of defense orders, thus contributing to our expressed aim of utilizing every available manufacturing facility, spreading the defense load geographically, and minimizing housing and other social problems that would arise from excessive centralization of defense work.

"Naturally, the field offices of the Defense Contract Service will work in close cooperation with Regular Army and Navy field representatives and local offices of other branches of the defense program."

Appointments announced are—

Frank H. Neely, chairman of the board of directors of the Federal Reserve Bank, Atlanta, Ga.; and executive vice president and secretary of Rich's Department Store, Atlanta.

Mr. Neely will be coordinator for the Atlanta area.

Raymond C. Force, chairman of the board of directors of the Federal Reserve Bank, San Francisco, Calif.; and chairman of the executive committee of the Caterpillar Tractor Co., San Leandro, Calif. Mr. Force will be coordinator for the San Francisco area.

Albert M. Creighton, chairman of the industrial advisory committee of the Federal Reserve Bank, Boston, Mass.; and director of the Boston Woven Hose & Rubber Co., Boston. Mr. Creighton will be coordinator for the Boston area.

George C. Brainard, chairman of the board of directors of the Federal Reserve Bank, Cleveland, Ohio; and president of the General Fireproofing Co., Youngstown, Ohio. Mr. Brainard will be coordinator for the Cleveland area.

R. B. Shepard, deputy chairman of the Federal Reserve Bank, of Minneapolis, Minn.; and president of Finch, Van Slyck, & McConville, St. Paul, Minn. Mr. Shepard will be coordinator for the Minneapolis area.

Clarence W. Avery, director of the Detroit branch of the Federal Reserve Bank of Chicago; and president and chairman of the Board of the Murray Corporation of America, Detroit, Mich. Mr. Avery will be coordinator for the Detroit area.

Thomas S. Gates, president of the University of Pennsylvania. Dr. Gates will be coordinator for the Philadelphia area.

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## Nickel held by industrial consumers will be surveyed

A comprehensive survey of the amount of nickel held by industrial consumers is being undertaken by the Bureau of Mines at the request of the Office of Production Management, W. A. Harriman, Chief of the Materials Branch, Office of Production Management, announced February 25.

This survey is being made as a result of frequent reports that a tight situation exists in the supply of nickel. Informal investigations have led to the belief that some consumers are seeking to acquire unnecessarily large inventories.

### Nickel consumption

Mr. Harriman pointed out that approximately 85 percent of all nickel produced in the world is obtained from Canada, and previous estimates have

indicated that sufficient supplies would be available for all defense and civilian requirements. Nickel consumption during the last quarter of 1940 averaged 14,000,000 pounds per month but imports for the year were at the rate of 10,000,000 pounds per month. At the present time imports are at the rate of 14,500,000 pounds per month.

It is expected that the survey now being instituted will provide a statistical basis for whatever action may be deemed appropriate.

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## Estimate that steel production facilities will be adequate for the fiscal year beginning July 1; investigation of the price of producing copper

President Roosevelt last week made public estimates by the Office of Production Management showing that steel production facilities for the fiscal year beginning July 1 will be adequate to meet all demands of civilian and defense consumers in this country and of embattled democracies abroad.

Steel production capacity, estimated at an annual rate of 87,500,000 tons on January 1, precludes any necessity at present of imposing a priority system on the industry, the President said.

The United States Tariff Commission, acting on request of the NDAC Price Stabilization Division, ordered an investigation into the cost of producing copper.

Loan Administrator Jones announced the Metals Reserve Corporation has bought an additional 35,500 tons of copper ore from South America, 85 percent of which will come from Chile, to bring the total of copper commitments to 235,000 tons.

Mr. Jones announced also the Corporation has contracted with the Manganeese Cooperative Producers Association Co., of Helena, Ark., to provide the Government with 100,000 tons of grade A manganese during the next 3 years.



# HOUSING . . .

## Announcement of allocations for defense housing approved by the President

C. F. Palmer, Defense Housing Coordinator, has made public the following allocations for defense housing, approved by the President:

FEBRUARY 26, 1941.

THE PRESIDENT,

*The White House.*

MR. PRESIDENT: Pursuant to Executive Order No. 8632, dated January 11, 1941, and the "Regulations Governing Defense Housing Coordination," dated the same day, there is submitted herewith a Locality Program Report for each of the places listed below, which outlines the housing situation in its relation to the national defense program. These Locality Program Reports which I recommend for your approval have been developed in cooperation with departments and agencies concerned, and include such of their recommendations as are deemed feasible. To the extent indicated in these reports, an acute shortage of defense housing exists, which requires action under Public 781, Seventy-sixth Congress (sec. A), Public 781, Seventy-sixth Congress and Public 849, Seventy-sixth Congress (sec. B), or solely under public 849, Seventy-sixth Congress (sec. C).

### SECTION A

Place	Approximate number of family dwelling units		
	Present program for defense housing (including needs already being met)	Previously recommended for Federal construction	Herewith recommended under Public No. 781
Key West, Fla.....	120	50	20

The Locality Program Report for Key West anticipates that the remainder of the need not programmed for Federal

construction will be met through privately financed construction.

### SECTION B

Place	Approximate number of family dwelling units		
	Present program for defense housing (including needs already being met)	Previously recommended for Federal construction	Herewith recommended under Public No. 781 and public No. 849
Riverside, Calif.....	275	150	125
San Francisco, Calif.	75	-----	75
San Miguel, Calif. (including Paso Robles, Calif.).....	150	-----	150
Jacksonville, Fla.....	1,044	604	30
Valparaiso, Fla.....	100	-----	100
Charlestown, Ind. (including Louisville, Ky.).....	500	400	100
Alexandria, La.....	255	-----	255
Leesville, La.....	150	-----	150
Shreveport, La.....	139	-----	139
Waynesville, Mo. (including Rolla, Mo.).....	250	-----	250
Great Bend, N. Y.....	250	-----	150
Harrisburg, Pa.....	485	-----	35
Island Oahu, T. H.....	13,362	12,390	512

11,400 units for single men also programmed and previously approved for Federal construction

The Locality Program Report for Jacksonville, Fla., anticipates that the remainder of the need not programmed for Federal construction will be met through privately financed construction.

### SECTION C

Place	Approximate number of family dwelling units		
	Present program for defense housing (including needs already being met)	Previously recommended for Federal construction	Herewith recommended under Public No. 849
Alameda, Calif.....	1,200	600	200
Miami, Fla.....	400	200	200
Muskegon, Mich.....	850	-----	300
Wilmington, N. C. (including Holly Ridge, N. C.).....	400	-----	375
Sidney, N. Y.....	250	-----	200
Harrisburg, Pa.....	485	-----	450
Island Oahu, T. H.....	13,362	12,390	550
Radford, Va. (including Pulaski, Va.).....	450	300	150

11,400 units for single men also programmed and previously approved for Federal construction.

Where the total programs for the above localities exceed the total of Federal construction recommended, the Locality Program Report for that place anticipates that the remainder of the need will be met through privately financed construction, or modernization of existing vacant units. With respect to those portions of each program for which action under Public, No. 849, Seventy-sixth Congress, is indicated, it is respectfully recommended that you find an acute shortage of housing to exist within the meaning of that act.

The reasons upon which the recommended Government housing programs are based vary to some extent in each case. They are stated in detail in each Locality Program Report and can generally be summarized as follows: National Defense activities in the locality have caused a sudden and immediate need for the number of dwelling units indicated for occupancy by persons of limited incomes engaged in national defense activities. Such need cannot be provided for by private capital either because the extent thereof is beyond the capacity of normal building in the area, or the continuance of need is so uncertain or the rentals so limited that private capital cannot afford to take the risks involved.

In addition, the following programs requiring none of the above mentioned actions are submitted for your approval: Fort Ord, Calif., Tampa, Fla., Joliet, Ill., Fayetteville, N. C., and Orange, Tex.

Upon your approval of the programs recommended in these Locality Program Reports, and your approval of the enclosed allocation request, and upon your findings as above recommended, each Federal agency will be advised of its part in each proposed program

Respectfully,

C. F. PALMER,  
Coordinator.

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## INDUSTRIAL ACTIVITY

The Board of Governors of the Federal Reserve System reports that industrial production in January was 139 percent of the 1935-39 average because of increased activity in industries making aircraft, machinery, ships, and other defense products.

# STATE AND LOCAL COOPERATION . . .

## Provision by two legislatures for State defense agencies—Nebraska Advisory Committee, and New York's State and local defense councils

By action of the Legislatures of Nebraska and New York, legal provision has been made for State defense bodies to cooperate with defense agencies of the Federal and other State Governments and to coordinate State and local defense activities. In Iowa, similar legislation was signed by Gov. George A. Wilson on February 8 (House bill No. 192; see DEFENSE, February 25).

The measure permitting creation of the Nebraska advisory defense committee was approved by Gov. Dwight Griswold on February 15 (bill No. 232, 1941 regular session). On February 19, Gov. Herbert H. Lehman of New York signed the bill that sets up the State council of defense and authorizes city and county defense councils (ch. 22, Laws of 1941). Both State acts became effective immediately.

### Broad fields of operation

Although the Nebraska and the New York defense agencies differ in a number of respects, both have authority to supervise surveys of matters relating to defense including, but not limited to industrial materials and facilities; production and manufacturing facilities; transportation facilities; agriculture, food supply and land use; labor supply and training, labor relations and human resources, professions, trades and skills; housing; consumers and consumer protection; hospitals, health and sanitation facilities; educational facilities; recreational areas and facilities; welfare; and finance.

In addition, the New York council is specifically charged with similar activities with respect to mobilization and coordination of the police and fire-fighting forces of the State for protection of the people against fire, flood, famine, violence, riot, insurrection, disaster, sabotage, and subversive activities; protection of civil liberties, and maintenance of law and order.

The New York defense council also has specific power to analyze State laws in

## Conference of mayors pledges support of national defense effort; urges great national system of waterways and connected roads

Resolutions relating to national defense and friendly cooperation between cities of the United States and Canada were adopted by the regional meeting of the United States Conference of Mayors in St. Louis on February 21. This action was taken by some 400 municipal officials, of whom approximately 225 were mayors of cities in the area between the Alleghenies and the Rocky Mountains.

The regional conference was welcomed by Mayor B. F. Dickman of St. Louis. President of the United States Conference of Mayors is Mayor F. H. LaGuardia of New York.

Former Mayor Daniel W. Hoan of Milwaukee, representing the Division of State and Local Cooperation of the National Defense Commission, spoke on cities and the defense program.

### Pledge of cooperation

Pointing out that the "full power and might of the Nation cannot be attained without the prompt, stanch, unhesitat-

ing, unreserved, and unlimited support of the cities," the conference unanimously pledged "the loyal allegiance and devoted cooperation of the citizens of all our communities to the Government of the United States in the great undertaking of preparation for national defense."

The conference offered the services of its organization to promote defense production through the policy of farming out of subcontracts by prime contractors. This procedure, it was stated, will not only increase output but will also improve the morale of the country's small business and labor forces by facilitating their participation in the national defense program. The conference also emphasized its interest in a program of civil defense for cities.

### Waterways transportation system urged

A great national system of waterways and connected roads "sufficient to meet any reasonable demand either from a military or civil crisis," was urged to supplement rail transportation.

the light of its plans and program and recommend such legislation as may be necessary to carry them out. Nebraska's advisory committee may recommend legislation in its reports to the Governor.

Both the Nebraska committee and the New York council are authorized to obtain the cooperation and assistance of State and local governmental agencies. Both must utilize insofar as possible the services and facilities of existing public agencies, although each is authorized to employ staff assistance.

### Difference in status

Major differences between the Nebraska and New York acts relate to organization and status of the State defense agencies. Nebraska's advisory defense committee is to be appointed by proclamation of the Governor in time of emergency or public need to serve at the Governor's pleasure. In a similar manner, the Governor may dissolve or suspend the committee and

reestablish it thereafter. The Governor is chairman of the committee and is required to designate one of the members as vice-chairman. Appointments are to be made without regard to political affiliation, but with reference to special knowledge of subjects in the fields of committee work.

In New York, the defense council as established by law consists of the Governor (chairman), Lieutenant Governor, temporary president of the senate, speaker of the assembly, minority leader of each house, and such other members as the Governor may appoint by and with the advice and consent of the senate. Gubernatorial appointees hold office during the pleasure of the Governor. The Governor has power to designate a council member to serve as vice chairman.

In both States, the members serve without compensation, although they may be reimbursed for traveling and other necessary expenses.

## Additional thousands of workers hired; lack of space, equipment, raw materials, and skilled workers delays employment expansion in many cases; vocational and in-service training increases—according to Social Security Board summary for February

As a result of the defense program, large-scale employment increases have been maintained and additional thousands of workers have been hired in most States, even though the actual rate of increase in employment in manufacturing industries may have slackened somewhat, the bureau of employment security, Social Security Board, has reported.

Construction employment has been maintained at a high rate in most areas despite adverse weather, and has been little marked by the usual seasonal declines. Lack of materials and skilled building craftsmen, however, has slowed down some projects already under construction, and has retarded initiation of others.

### Employment increases retarded in many plants

Hiring in many manufacturing establishments has been deferred because of lack of space and equipment for more workers, despite maximum utilization of facilities through overtime and extra shifts. Shortages of key skilled workers have prevented employment increases in many plants, and in others expansion of production and pay rolls has been delayed by scarcities of raw materials.

### Construction jobs plentiful

On completion of large construction jobs now under way—factories, Army camps, housing projects, supply bases, dams, etc.—thousands of construction workers will be laid off; but a large volume of additional construction is already scheduled for some months to come, so that many workers released from completed jobs may find work with little difficulty.

Although local stringencies in a few skilled crafts have delayed some projects, the supply of construction workers still

appears to be adequate. Effective use of clearance machinery by public employment offices has been of considerable help in transferring construction workers to localities where local shortages have developed.

### Labor shortage in manufacturing industries

In manufacturing industries, on the other hand, shortages have become more pronounced, particularly in aircraft and shipbuilding. Stringencies of skilled metal tradesmen are also common. Limited supplies of semiskilled workers are reported in a few localities, small reserves in others. In practically no area have unskilled workers been hard to obtain, although low wages and poor working standards have resulted in a withdrawal of workers in some areas.

### Heavy labor demand expected

The trend toward stringency appears likely to be aggravated during the next 3 months, when a heavy demand for workers in the defense industries is in prospect. A large proportion will have to be skilled or semiskilled. The relatively small number of lay-offs expected to occur will make available only a negligible supply of skilled workers; most of those needed will have to be obtained from some other source.

### Training courses improved

Employment offices report steady increases in the number of private and public vocational training courses being offered, and in the number of persons enrolled. More and more employers have instituted in-service training and are assisting in the training of young persons even before they are employed by the respective companies. Earlier criticisms of the training programs have resulted in better selection of courses,

based on analysis of employers' needs as indicated by Employment Service findings; but training is still hampered by lack of facilities, instructors, and, in some cases, even trainees. It is clear from the latest reports of the State employment offices that the present rate of turn-over in training courses is far less than enough to fill current needs for skilled labor. Even in the case of semiskilled workers, there is a possibility that stringencies will become serious in the near future unless the output of training courses is stepped up considerably.

### Employment requirements lowered

In some of the occupations in which employers have indicated that shortages exist, there are reported to be good workers available who, because of either race or nationality, are not being hired. Employers have dropped age limits, lowered physical requirements, accepted workers of lower skill and less experience, employed women in jobs hitherto held only by men, but they are almost consistently turning down qualified non-citizen skilled workers, even in industries where citizenship is unessential.

Competition for workers has resulted in numerous wage increases, especially in low-wage industries.

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## Army purchases of certain foods will be centralized at New York, Chicago, and San Francisco

By centralizing the purchase of certain canned and nonperishable foods for use by the rapidly expanding Army, a considerable saving will be effected, and much confusion avoided, the War Department announced February 22.

Under the new plan, all purchases of the specified products will be centralized at one of the three Quartermaster depots at New York, Chicago, or San Francisco. The purchasing will be done as follows:

New York—all tea, coffee, sugar, extracts, spices, jams, pickles, syrups, baking powder, and certain other items.

Chicago—all canned vegetables, red sour cherries, flour and flour products, rice, beans, dried peas, canned meats, evaporated and dried milk, and a number of other items.

San Francisco—all canned fruit (except those mentioned above), dried fruits, and canned fish.

# LABOR DIVISION . . .

## Release of the new pamphlet entitled "Labor Speeds Defense", setting forth the progress of the Labor Division

The Labor Division of the National Defense Advisory Commission has just released a new pamphlet entitled *Labor Speeds Defense*, setting forth the Division's progress in designing and putting into effect its various programs since the beginning of the defense effort.

Among the first responsibilities that faced Sidney Hillman, Defense Commissioner in charge of the Labor Division, when he took office last June was that of insuring an adequate supply of labor for defense industries, and to avoid work stoppages insofar as possible.

### Labor Policy Committee

In this latter respect, the support of organized labor was immediately enlisted with the appointment of a Labor Policy Advisory Committee composed of 16 representatives from the AFL, the CIO, and the Railroad Brotherhoods. In a statement pledging labor's full support to the national defense program, this committee declared in part:

"Labor recognizes fully that if the democratic way of life is to be preserved, and enlarged, our country must prepare itself for total defense—morally and materially."

This statement has been translated into action.

For instance, in industries making the engines and machine tools so vital to our national security, strikes in 1940 were responsible for only 1 day of idleness for every 6 years of work.

The pamphlet contains two tables of strike statistics prepared by the Bureau of Labor Statistics. One shows the trend of strikes from 1914 through 1940. The other compares the number of man-days worked with the number of man-days idle due to strikes in 1940 for 11 industries vital to national defense. The average strike loss in these industries was one-quarter of 1 percent of the total time worked.

### Employing the unemployed

One of the first and biggest problems confronting the Labor Division was so do all in its power to employ the unemployed.

After the registration by the United States Employment Service and organized labor of some 5,000,000 men and women throughout the Nation, industry absorbed over 2,000,000 in 6 months, a monthly average of 337,000.

Awake to the possibility of a shortage of skilled labor as a result of this step-up in employment, the Labor Division helped to foster vocational guidance courses in the Nation's schools to refresh the skills of persons who long since had been forced to follow other lines of endeavor. This was done in cooperation with existing governmental agencies such as the Works Progress Administration, the United States Office of Education, and others.

This service has proved invaluable to defense industries which are constantly drawing on these schools for labor that has received rudimentary instruction in shop practice.

Another program instituted by the Labor Division to assure an adequate supply of skilled labor was that of Training within Industry—a system of training employed workers on the job to make the fullest use of their highest skill.

### Training at Allison

In many instances this has simplified the problems facing defense industries in hiring a tremendous additional force. For example, the Allison Division of General Motors, flooded with orders for its liquid-cooled motors, used this type of upgrading plan for training new workers. Within a comparatively short time, the company was able to enlarge its working force from 1,200 to 7,500 without serious difficulty, despite the fact that nearly one-third of the new employees were completely green. Officials of the company declare that some of those who had handled nothing more complicated than a wheelbarrow before going to work at the plant, have been moved up, rung by rung on the ladder of skills until they are now performing highly technical operations on the final assembly line.

To quicken defense production, to bring economic aid to the "ghost towns" of America, and to ease the difficulties of

readjustment when the emergency is over, the Labor Division has also sponsored a system of "farming out" defense orders among the thousands of smaller shops throughout the Nation. Quick reconnaissance surveys uncovered the fact that a high percentage of the Nation's productive capacity was lying dormant in smaller cities and towns throughout the country. They also showed that declining industries and technological improvements had reduced to idleness not only tools and machines, but also a vast reservoir of skilled hands ready and willing to use them.

"Test checks" by trained engineers on the staff of the Labor Division resulted, to cite a single instance, in the mailing out of a list of partly idle plants in 15 cities in the Ohio River region to 500 firms holding Government contracts. In all cases skilled workers were available.

### Local stimulation

A program of stimulating local communities to assess their idle resources in men and machines was also launched. Community groups of this character are urged to organize, and are advised to "pool" their facilities and to solicit orders—as subcontractors—from the large firms having defense awards. Already several such pools are in operation. Each pool, functioning on a nonprofit basis, acts as sole agent for the community's equipment and manpower, dividing up the work among the various local units in accord with their respective ability to produce.

To facilitate the most efficient production of ships for our Navy, Commissioner Hillman appointed the Shipbuilding Stabilization Committee, composed of representatives of organized labor, shipbuilding employees, the Navy, and the Maritime Commission.

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## 60-mile-long caravan to move the Forty-fifth Division

The War Department used a caravan of Army trucks 60 miles long to transport the major part of the Forty-fifth Division from Fort Sill, Okla., to their new station at Camp Barkeley, near Abilene, Tex., February 28, 1941. The 223-mile move to the new camp was made in 1 day, by the more than 10,500 men in the first major move. More than 1,400 vehicles of all sizes were employed.

## Settlement of the strike at the Lackawanna, N. Y., plant of the Bethlehem Steel Co.

At 8:30 p. m. February 27, less than 24 hours after a strike had been called at the Lackawanna, N. Y., plant of the Bethlehem Steel Co., William S. Knudsen, Director General, and Sidney Hillman, Associate Director General, of the Office of Production Management, announced at a special night press conference that they had submitted a proposal to representatives of both the union and management for settlement of the controversy.

Both sides accepted the proposal, and, at 3 p. m. the following day the strike, which had been called by the Steel Workers Organizing Committee, CIO was ended and the first of the plant's 14,000 workers filed back through the factory gates.

### Participants

The proposal submitted by Mr. Hillman and Mr. Knudsen followed a day of conferences with representatives of the union and the company. Participating in these conferences, in addition to the two OPM officials, and company and union spokesmen, were Cyrus Ching, industrial and public relations director of the United States Rubber Co., and E. D. Bransome, president of the Vanadium Corporation of America, both of whom are industrial advisers on Mr. Hillman's staff; John Owens and Thomas Burns, CIO labor relations consultants, also of his staff. Mr. Ching and Mr. Burns had returned that morning from a 24-hour on-the-spot survey of the controversy.

### Text of telegram

The proposal was sent by telegram to Philip Murray, president of the CIO and chairman of the Steel Workers Organizing Committee, Van A. Bittner, regional director of SWOC, and to the Bethlehem Co. Following is the text of the telegram:

OFFICE OF PRODUCTION MANAGEMENT, IN THE INTEREST OF THE NATIONAL DEFENSE PROGRAM, IS PROPOSING THAT ALL EMPLOYEES OF THE LACKAWANNA PLANT OF THE BETHLEHEM STEEL CO. BE FULLY REINSTATED AS SOON AS RESUMPTION OF OPERATIONS WILL PERMIT [STOP]. ALSO THAT A CONFERENCE WILL BE IMMEDIATELY HELD BETWEEN THE LACKAWANNA PLANT MANAGEMENT AND OFFI-

CIALS OF THE SWOC WITH A VIEW TO ADJUSTMENT OF MISUNDERSTANDINGS AND GRIEVANCES THERE [STOP]. THE OPM WILL EXPLORE WITH THE NATIONAL LABOR RELATIONS BOARD THE POSSIBILITY OF HOLDING AN ELECTION TO DETERMINE THE BARGAINING AGENCY AT THE LACKAWANNA PLANT [STOP].

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## Export Control

(Continued from page 1)

### License No.—

GBH 2 for soda lime.  
GBI 2 for sodium acetate.  
GBJ 2 for strontium.  
GBK 2 for sulphuric acid.  
GBL 2 for bromine.  
GBM 2 for ethylene.  
GBN 2 for ethylene dibromide.  
GBO 2 for methylamine.  
GBQ 2 for beryllium.  
GBR 2 for graphite electrodes.  
GBW 2 for copper and products.  
GBY 2 for nickel and products.  
GBT 2 for cobalt.  
GCA 2 for aircraft parts.  
GCB 2 for armor plate.  
GCC 2 for shatter-proof glass.  
GCD 2 for plastics, optically clear.  
GCF 2 for fire-control instruments.  
GEA 2 for petroleum—crude oil.  
GEB 2 for gasoline.  
GEC 2 for tetraethyl lead.  
GED 2 for lubricating oil.  
GEE 2 for naphtha.  
GFA 2 for iron and steel scrap.  
GGA 2 for iron ore.  
GGB 2 for pig iron.  
GCC 2 for ferromanganese, spiegeleisen, ferrosilicon, ferrochrome, ferrocolumbium, ferrocobalt, ferrotitanium, ferrophosphorus, ferromolybdenum, ferrotungsten, ferrovanadium.  
GHA 2 for ingots.  
GHB 2 for billets.  
GHC 2 for blooms.  
GHD 2 for slabs.  
GHE 2 for sheet bars.  
GHM 2 for wire rods.  
GHP 2 for drums and containers.  
GHT 2 for tanks.  
GMA 2 for structural shapes.  
GMB 2 for steel piling.  
GMC 2 for plates.  
GMD 2 for skelps.  
GME 2 for rails.  
GMF 2 for splice bars and tie plates.  
GMG 2 for bars.  
GMH 2 for hoops and baling bands.  
GMJ 2 for pipe and tubes.  
GMK 2 for drawn wire.  
GML 2 for nails and staples.  
GMM 2 for barbed wire.  
GMN 2 for woven wire fence.  
GMO 2 for bale ties.  
GMP 2 for fence posts.  
GMR 2 for black plate.  
GMS 2 for tin plate.  
GMT 2 for iron and steel sheets (including stainless steel sheets).  
GMU 2 for strip.  
GMV 2 for wheels.  
GMW 2 for axles.  
GMX 2 for track spikes.  
GMY 2 for castings.  
GMZ 2 for forgings.

(Licenses Nos. GHA 2 to GMZ 2 relate exclusively to iron and steel products.)

License No. GDG 2 for the export of the following specifically enumerated machine tools and allied products:

Pipe threading machines.  
Metal cutting band saws.  
Power driven hack saws.  
Keyseating machines.  
Disc grinding machines.  
Car wheel and locomotive wheel presses.  
Burring machines—gear.  
Chamfering machines—gear.  
Burnishing machines—gear.  
Planers—crank.  
Bench power presses.  
Saw sharpening machines.  
Filing machines.  
Pipe bending machines.  
Thread chaser grinders.  
Burnishing machines.  
Riveting machines.  
Grinding machines—portable with flexible shaft.  
Centering machines.  
Arbor presses (hand, air, and hydraulic).  
Nibbling machines.  
Grinders—lathe tool.  
Gear lapping machines.  
Gear shaving machines.  
Polishing machines.  
Heat treating furnaces.  
Foundry machines.  
Cold saws up to a capacity of 10-inch round stock.  
Twist and other drills.  
Reamers.  
Milling cutters.  
Hobs.  
Taps.  
Dies.  
Die heads.  
Shear knives.  
Abrasives and abrasive products containing emery, corundum, or garnet, as well as abrasive paper and cloth.  
Plastic moulding machines and presses.  
Measuring machines.  
Gauges.  
Testing machines.  
Balancing machines.  
Hydraulic pumps.  
Tools incorporating industrial diamonds.

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## New company enters field to produce aluminum at Bonneville and Grand Coulee dams

Bonneville and Grand Coulee dams will step up production of aluminum by delivery of Columbia River power to a new plant to be constructed by the Reynolds Metals Co. in the Pacific Northwest, Secretary of the Interior Harold L. Ickes announced February 25.

A 20-year contract to supply 40,000 kilowatts of hydroelectric power has been signed by R. S. Reynolds, president of the company, and Bonneville Power Administrator Paul J. Raver, Secretary Ickes said.

The Reynolds Metals Co., which is entering a field long dominated by the Aluminum Co. of America, will begin construction of the aluminum plant immediately. The plant will have an initial capacity of 40,000,000 pounds of aluminum a year. Signing of the contract raises the amount of aluminum produced by Bonneville and Grand Coulee to 190,000,000 pounds a year.

# AGRICULTURE . . .

## Industry urged to produce to capacity— peacetime pursuits will absorb expanded defense production facilities; increase in farm production may be necessary, Dr. Galbraith tells National Farm Institute

Warning that the easy part of the national defense program is drawing to a close, Dr. J. K. Galbraith, economic adviser to Commissioner Davis, February 21, called on the Nation to get spiritually prepared for the sacrifices this national effort will require. He spoke before the National Farm Institute at Des Moines, Iowa.

"National defense is either a deadly serious business or one that we can afford to forget," Dr. Galbraith said. "Either the United States is in danger or it is secure. If we are in danger—and it is the judgment of the people that we are—then it is possible that one day in the future we may look back on these discussions of the effect of defense on the welfare and fortunes of various groups with a great deal of regret. Perhaps we may feel as the British doubtless feel now about their war preparation during the Chamberlain period—a period when their most modern steel mill was partly closed down because it endangered the steel market.

"If we are actually threatened one day we will not be happy over discussions we may have had about plants and factories that we did not build because we were not sure that we would need them, and could not be sure what would happen to them afterward. If some supplies run short or are unobtainable, we may begin to wonder if the margin of safety was calculated with the worst in mind."

With the exception of the men who leave jobs to go into the Army, and the cotton, wheat, and tobacco growers and others who have lost their export markets, few real sacrifices have been made, Dr. Galbraith pointed out.

### Defense implements can be turned to peaceful pursuits

Urging that the industries of the country produce to full capacity, Dr. Gal-

braith said: "There is no good reason why we must worry about these new mills and factories falling idle some day in the future. If we know how to use them to produce the implements of war, we can learn how to keep them going in the production of the good things of peace. If the common man can buy beef and pork chops because he has a defense job, surely he can be given a job which will enable him to keep on buying when the world again becomes secure."

Dr. Galbraith asked industry to sacrifice some of its desire for security against future competition and overproduction, in order to fill the needs of the years immediately ahead. He urged trade-unions to face the possibility of an excessive number of skilled workers sometime in the future, a condition which may result from present expansion.

### Must watch food stocks

Dr. Galbraith said that farmers in some areas may need to increase the production of meats, dairy products, and other commodities. With passage of the lend-lease bill promising to remove the dollar barrier to the purchase of farm commodities, the time has come when our food stocks must be watched with care, he warned.

Up to the present time, the agricultural program has been a rather undramatic part of the defense effort, Dr. Galbraith said. However, during World War I there was an expansive food administration which urged farmers to produce more and consumers to consume less, he pointed out. In Germany and England the subject of food supplies constitutes almost as important a part of the news as do military subjects.

Dealing with the paradox of want amid plenty, Dr. Galbraith said that a child who must go without breakfast is having

a bad education in patriotism no matter what he learns in school. He reminded the farmers that it is good business to bring together the surpluses on one hand and hungry people on the other, and charged them with continuing responsibility in this direction during this period of expanding employment and business activity.

### Utilize rural labor reserve of South and West

Advocating enlargement of the training program in rural areas and the bringing of industry to areas where there is a surplus of rural labor, Dr. Galbraith said:

"Through the South some hundreds of thousands of farm people are now either unemployed, partially unemployed, or they are producing cotton and tobacco for an export market which has been suspended. A similar situation holds in many areas to the west of the Mississippi. Many of us have hoped that we would have a substantial number of the new defense industries established in those areas. It is something that has been very close to the heart of Commissioner Davis. There have been difficulties and some very serious ones, in carrying out this program. But some progress has been made. As labor shortages appear in the industrial areas more and more attention will be given to the rural labor reserve of the South and West."

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## Army strength will pass the million mark during March

Secretary of War Stimson has announced that between 130,000 and 150,000 selectees will be called for service during March, putting the Army's strength beyond the million-man mark. Mr. Stimson estimated the Army's present strength at 951,000 officers and men, a peacetime record.

Approximately 105,000 of the selectees called during March will be assigned to replacement centers. All but one of the 21 new centers are expected to be ready to train selectees by April 1, Mr. Stimson said. The balance of the men will go directly into existing Army and National Guard units.



## Advisory staff for study of agricultural-chemical requirements of defense program

Commissioner Chester C. Davis of the Agricultural Division has made arrangements with Secretary of Agriculture Claude R. Wickard, whereby an advisory staff has been made available to Mr. P. H. Groggins, chief of the Agricultural Chemicals Section.

Among the important objectives of this section is the study of chemical requirements of the defense program insofar as they relate to (1) chemicals used in agriculture, such as chemical nitrogen, phosphates, potash and insecticides, and fungicides; (2) chemical and technological uses of products derived from agriculture, such as oils and fats, cellulose, insecticides, manufactured dairy products, plastics, etc.

These studies will be compiled into various reports.

Personnel of the advisory staff for agriculture include the following men, all of whom are members of the staff of

the Bureau of Plant Industry under Dr. E. C. Auchter:

Dr. R. O. E. Davis, adviser on chemical nitrogen problems. Dr. Davis is acting chief, division of fertilizer research, and in charge of nitrogen investigations.

Dr. William H. Ross, adviser on mixed fertilizers. Dr. Ross is in charge of mixed fertilizer investigations, division of fertilizer research.

Mr. Kenneth D. Jacob, adviser on phosphate problems. Mr. Jacob is in charge of phosphate investigations, division of fertilizer research.

Dr. Kenneth G. Clark, adviser on potash problems. Dr. Clark is in charge of potash investigations, division of fertilizer research.

Mr. Arnon L. Mehring, who is temporarily attached to the staff of the Agricultural Chemicals Section, is responsible for the collection, tabulation, and interpretation of statistics with respect to chemicals needed both for fertilizers and munitions.

## Plans to make available the Bureau of Agricultural Chemistry and Engineering in a consultative capacity

Plans have been completed under which the entire scientific and technological personnel of the Bureau of Agricultural Chemistry and Engineering of the United States Department of Agriculture will be available to the Agricultural Division of the National Defense Commission in a consultative capacity to deal with the chemical and technological uses of farm products in the defense program, it was announced following a recent conference between Commissioner Chester C. Davis and Dr. Henry G. Knight, Chief of the Bureau of Agricultural Chemistry and Engineering.

Under direction of Dr. Knight, several hundred outstanding scientists, both in Washington and the four regional research laboratories, will be utilized to aid Commissioner Davis in meeting the scientific and technological problems in the field of food packaging, food dehydration, food deterioration in storage, plastics, cellulose chemistry, cotton uses, and other agricultural defense problems.

### Equipped to serve

The Bureau of Agricultural Chemistry and Engineering is uniquely equipped to render this service. Men in charge of the research divisions recently have been recruited from industry, the universities, and other governmental agencies representing a broad background of experience. In Washington, the Bureau carries out investigations on proteins, carbohydrates, foods, leather, and tanning materials.

At the four regional research laboratories located near Philadelphia, Pa.; at New Orleans, La.; Peoria, Ill.; and at Albany, near San Francisco, Calif.; work is carried out on the use and chemical conversion of important agricultural crops.

### No dislocation

Among advantages of this arrangement are that it creates no dislocation in existing research centers with resultant stoppage of work and depletion of organization. This procedure of integrating defense activities should result in a maximum of efficiency and constructive action while avoiding delays in organization and the question of priorities.

The program is already under way with the Bureau working on a number of defense problems.

## Appointments to legal staff, Office of Production Management

John Lord O'Brian, general counsel, Office of Production Management, on March 3 announced the following appointments and designations to the legal staff of the Office of Production Management:

Milton Katz, assistant general counsel, to act as adviser for Donald M. Nelson and his associates in the Purchasing Division. Mr. Katz has been professor of law, Harvard Law School. He will have as his assistants Alexander B. Hawes and Fairfax Leary, Jr.

Geoffrey S. Smith, assistant general counsel, to act as adviser for E. R. Stettinius, Jr., and his associates in the Priorities Division. Mr. Smith has been with the firm of Dechert, Smith & Clark, Philadelphia, Pa. He will have as his assistants E. Riggs McConnell and Bernard D. Meltzer.

Frederick M. Eaton, assistant general counsel, to act as adviser for John D. Biggers and his associates in the Production Division. Mr. Eaton has been with the firm of Wright, Gordon, Zachry & Parlin, New York City. He will have as his assistants Thomas J. Lynch, Wm. Jay Hoff, and Samuel E. Neel.

Herbert S. Marks, assistant general counsel, with special assignment to legal research and matters of legislation. Mr. Marks has been attorney for trustees, Associated Gas & Electric Corporation, New York City.

In announcing the appointments to his staff Mr. O'Brian pointed out that all members of the existing legal staff have been retained.

## Public lands serving defense purposes in areas from Alaska to Florida, Secretary Ickes says

More than 8,100,000 acres of public domain land, scattered from Alaska to Florida, have been withdrawn for emergency military and naval purposes, Secretary of the Interior Harold L. Ickes announced February 27.

These lands, totaling a half-million acres more than the combined areas of Massachusetts, Delaware, Rhode Island and the District of Columbia, are being used for rifle ranges, small-arms target ranges, and combat training areas for national guardsmen and regulars, tank combat training areas, antiaircraft firing ranges, aerial bombing ranges, and artillery practice grounds.

Pointing out that the task of turning these lands over to the Army and Navy has been a continuing one for more than 2 years, Secretary Ickes said: "The fact that we had this land in such shape that we could put it to this use is another proof of the advantages of an established conservation policy."

# CONSUMER DIVISION . . .

## Warning that investigation should precede consumer action against price rises, and that action should not be hysterical nor based on mere rumor

Consumers should investigate price rises attributed to the defense program to determine whether the increases are warranted, Ben Lewis, chief economist of the Consumer Division of the National Defense Advisory Commission, told a meeting of the Voteless District of Columbia League of Women Voters.

He warned that consumer action in such situations must not be hysterical nor based on rumor if sound results were to emerge.

"To achieve any measure of success in the aim we have set of protecting civilian welfare, we feel that cooperation of consumers is very important. This involves two propositions," Mr. Lewis said. "First, that consumers be fully aware of the situation and its implications; second, that consumer action in the market place be both intelligent and calm.

"We are making an effort to facilitate consumer awareness by releases to newspapers and by a bulletin service issued directly to those interested."

### Produce more goods

"So far the effect of the defense program on price has been small, as measured by a cost-of-living index. We do have gradually increasing demand as unemployed people receive employment. This forms one side of the picture."

"The supply side is more complicated. The range of possibility of shortages varies from that for certain metals such as aluminum, where priorities have now been imposed with a consequent limitation of supply to consumers, to that prevailing in the food market, where supplies generally are very adequate."

### Production and supply

"The basic problems today are production and supply. The solution lies with the spirit and energy and intelligence of the people of the country.

Prices will go up if supply does not match demand for goods, but we have a tremendous capacity for more goods if we are willing to produce or secure them.

"If we do not meet this challenge, it is upon consumers that the burden will fall. Consumers must insist on the elimination of all barriers to the fullest and best utilization of every ounce of resources and energy on which we can lay our hands."

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## Egg prices continuing seasonal decline; "best buy" compared to other protein products

Egg prices are continuing their seasonal decline which generally occurs between November and the beginning of April, the Consumer Division reports.

Although retail egg prices so far are averaging higher this year than last, they are still a "best buy" compared to other protein foods.

Department of Agriculture estimates reveal that total egg production in January 1941 set an all-time record for that month; commercial cold storage holdings of eggs on February 1, were, however, 10 percent lower than a year ago.

Eggs are on the Federal surplus commodity list and may be bought by families on relief with the free blue stamps through ordinary commercial channels, under the food stamp plan. During December, families receiving or eligible to receive public assistance secured with blue stamps 3,000,000 dozen eggs.

A booklet of suggestions on ways of preparing eggs has been prepared by the Bureau of Home Economics of the Department of Agriculture. It is Leaflet No. 39, "Eggs at Any Meal," and may be obtained from the Superintendent of Documents, Washington, D. C., for 5 cents.

## Plentiful household substitutes for aluminum — enamelware, glass, cast iron, and earthenware

Substitutes for aluminum household products are plentiful and consumers should direct their buying to such substitutes until aluminum production becomes adequate for both military and civilian needs, Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, said this week.

Miss Elliott's advice to consumers followed the action of the Office of Production Management in invoking priorities in the aluminum industry.

### "Intelligent action"

"The imposition of priorities on aluminum is a measure to facilitate defense production. Consumers can help conserve the Nation's existing supply of aluminum through the use of other readily available materials and thus avoid harmful price increases in existing stocks of household aluminum goods," Miss Elliott declared.

"Calm and intelligent consumer action at this time will benefit both the defense program and take care of civilian needs."

### Satisfactory substitutes

The Consumer Division and the Bureau of Home Economics of the Department of Agriculture report that there are highly satisfactory cooking utensils made out of materials not affected by the defense program.

Such substitutes include enamelware, flame-proof and heat-proof glass, cast iron, and earthenware. Since aluminum ware is most desirable for cooking directly over heat, consumers having a supply of such utensils are urged to refrain from buying more than their essential needs. By this cooperation, other consumers would not be deprived of a necessary minimum supply, Miss Elliott said.

Miss Elliott pointed out that manufacturers can help meet essential consumer needs of aluminum by restricting its use in unimportant items such as ornamental products.

## Labeling projects conducted to assist consumer buying; promote informative grade labeling for canned goods

Labeling projects currently being conducted by the National Consumer-Retailer Council will materially assist consumer buying, according to the Consumer Division.

The Council, which consists of consumer and retailer organizations, has authorized a project to promote informative grade labels for canned goods. The plan is being sponsored by consumer organizations on the Council and by the National Association of Food Chains, also a member of the Council.

### Canned foods

The project provides that the participating chain food companies use labels approved by the National Consumer-Retailer Council on their own brands of canned corn, tomatoes, peas, and peaches of "A" and "B" grades, for a 1-year test period.

The consumer organizations have agreed to inform their local units of the project and provide plans for consumer study of informative labeling and for cooperation with local retailers in promoting the use of the labels in retail stores. They will also try to determine whether these recommended labels enable customers to buy more intelligently, give them more protection in buying, and are preferred by them.

### Blankets

The Council has recently approved labels to be used on Chatham blankets, currently being introduced in spring showings. The labels will bear the legend: "This is the type of information recommended by the National Consumer-Retailer Council, Inc."

Each label carries information regarding the fiber content of the blanket, size, total weight, weight per square yard, durability, warmth, color fastness, shrinkage, and instructions for proper care.

Information of this type, the Council points out, enables the consumer to compare blankets of different quality and different price and to "select the one best suited to her pocketbook and the specific use she wants to make of the blanket."

## Air tour of American Republics will be undertaken by Inter-American Escadrille

A group of private citizens interested in the development of aviation in the Western Hemisphere will leave Washington March 5 for a 3 months' air tour of all the American Republics, Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, announced March 1.

The air tour will be undertaken by the Inter-American Escadrille, a private nonprofit organization. The Coordinator's office has cooperated with the Escadrille in arrangements for the flight.

### Survey of aviation development

The group will contact leaders of civil aviation in each of the American Republics to obtain their views concerning the future development of aviation in their respective nations. As a background for this survey, the Coordinator's office, in cooperation with other interested agencies of the Government, has studied most of the available data on the development and present status of civil aviation in this hemisphere.

### Flight members

The flight will be led by Maj. Gen. Frank R. McCoy, United States Army, retired, president of the Foreign Policy Association and director of the Council on Foreign Relations. General McCoy has had long experience in inter-American relations and served as chief of several conciliatory missions concerned with hemisphere political and economic affairs.

Walter Bruce Howe, who has also represented the United States on several missions to the other American Republics, will accompany General McCoy as personal assistant and counsel.

Alfredo de los Rios, well-known flier and Chilean-born newspaperman, will serve as copilot and will present the program and aims of the Inter-American Escadrille.

J. M. Farris, on leave of absence from Eastern Airlines through the courtesy of Capt. E. V. Rickenbacker, will serve as chief pilot, and Luis O. Medina, a native of Bogota, Columbia, will serve as mechanic.

### Itinerary

The mission will cover approximately 28,000 miles on the tour, going first to Cuba and thereafter, in the following or-

der, to Haiti, the Dominican Republic, Venezuela, Brazil, Paraguay, Uruguay, Argentina, Chile, Bolivia, Peru, Ecuador, Colombia, Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, and Mexico.

The mission will fly in a Grumman twin-engined amphibian.

### Escadrille directors

The Inter-American Escadrille, founded in 1935 by Mr. de los Rios, has among its directors Dr. James Rowland Angell, president emeritus of Yale University; Dr. Carlos Davila, Chilean diplomat, statesman, and newspaper publisher; Allen W. Dulles, prominent international lawyer, and James P. Warburg, economist and former Treasury official.

### "Wings" for the Americas

The Inter-American Escadrille proposes to facilitate such cooperation through the establishment of chapters or "Wings" in each of the American Republics. A detailed plan of organization has been prepared. This will be presented to the Civil Aviation leaders in each country as a guide for such action as they may care to take. Each "Wing" will be completely self-governing and merely affiliated with the international organization, the headquarters of which will be determined each year at a convention of representatives of the national Wings.

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## Tennis, golf, and deep-sea fishing among features to be provided in recreation areas for Army

Sites have been selected and work will start immediately on seven recreation areas in the Gulf coast region, which will be available for soldiers on leave from nearby camps, the War Department announced February 27.

Facilities will be available initially for 500 men in each camp, but they probably will be enlarged later to accommodate from 2,500 to 7,500 men. Bathing beaches were regarded as essential in the selection of each area, while other recreational facilities such as golf courses, tennis courts, dancing facilities, open-air movies, and deep-sea fishing will be provided in most cases.

Schedules of religious services for all denominations will be provided in each area.

CCC companies will do the landscaping and other routine work in connection with establishment of the camps.

# TRANSPORTATION . . .

## Railroad purchases of cars and locomotives increasing; freight carloadings at present show signs of more than seasonal gains over last year; plans for additional grain storage facilities

The railroads had on order as of February 1, 1941, a total of 41,600 new freight cars. This is the largest number of new cars on order for any corresponding date since 1926, and indicates the activity of the railroads in building up their plant to take care of defense traffic demands, Ralph Budd, Transportation Commissioner, has reported.

During 1940, the railroads placed in service 65,545 new freight cars, 126 new steam locomotives, and 293 Diesel and electric locomotives. In addition to the new cars on order as of February 1, 1941, there were 120 steam locomotives and 118 electric and Diesel locomotives.

A substantial increase in the number of serviceable cars available for handling of the country's traffic is resulting from the program of the railroads, which involves purchase of new equipment and, in addition, repair of cars and locomotives which have been held in bad order in recent years because they were not needed to handle existing traffic. The number of cars awaiting repairs as of February 1 was 107,596, or 6.7 per cent, this figure being reduced from 224,603 cars on September 1, 1939.

Up to February 1, there had been a net increase of 109,375 in the number of serviceable freight cars in the country since September 1, 1939. On the basis of normal turn-around of freight equipment, these cars are capable of handling in excess of 55,000 carloads per week.

### Upward trend in freight carloadings

Freight carloadings at present show signs of more than seasonal gains over last year. The loadings in January were 7.1 per cent over 1940. Last year traffic in February, March, and April was below the level of January. This year the pattern seems more likely to follow the spring loading of 1937, which was con-

sistently upward. For the first two weeks of February, the increase over 1940 was 8.6 and 13.2 per cent, respectively.

Heavier demands at present are for transportation of iron and steel products, lumber and forest products, and new automobiles and trucks, the latter of which are handled in freight cars equipped with auto loading devices.

Despite this higher level of loadings, substantial freight car surpluses continue to be reported. As of February 1, the average daily freight car surplus reported by the railroads was 109,507, of which 42,549 were box cars and 42,014 were open-top cars.

### Railroads responding to heavy automobile movements

The present automobile and truck traffic, which is moving in the largest volume in several years, has made a heavy demand on the specially equipped cars provided for such traffic, particularly the longer (50 ft.) automobile cars equipped with loading devices, of which the supply is limited, and which are being used for heavy shipments of Government trucks. All railroads are following the matter actively in the interest of providing the most prompt and efficient handling of these cars, both in the loaded movement and the empty return to automobile-producing centers.

### Plans for grain and iron ore movement

Major commodity movements which are currently receiving consideration by the Transportation Division are the grain movement and the lake and rail iron ore movement. Present indications are that a heavy production of both winter and spring wheat will be experienced this year. The present winter wheat crop forecast for 1941 indicates the largest crop in recent years, and with an abnormal carry-over because of the loss of ex-

port movement, there is a problem of storage. Until that problem is solved, transportation requirements are difficult to anticipate.

Because of the bumper crop and the large carry-over from earlier crops, plans are now under way, in cooperation with interested agencies in the Department of Agriculture and the Agricultural Division of the Defense Commission, for a complete survey and for action which will provide additional grain storage facilities where needed.

The heavy ore movement which it is desired to handle on the Great Lakes during the 1941 navigation season will be greatly helped if early navigation in these waters is possible.

Arrangements are being made for an extra ice breaker to operate at the Soo Canal, and all indications as to mildness of temperature lead to the hope that it may be possible to start lake navigation April 15 or earlier.

Study of the 58-year period dating from 1883 shows that the average opening date of lake navigation has been April 21, ranging from the earliest date of April 6, 1902, to the latest date, May 14, 1885.

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## Creation by the United States Maritime Commission of a Division of Emergency Shipping

The United States Maritime Commission announced February 28 creation of a Division of Emergency Shipping.

This Division will handle all emergency transportation problems, will maintain liaison with the Navy Department, War Department, Reconstruction Finance Corporation, Office of Production Management, State Department, and all other Government departments and agencies with respect to ocean transportation, and will have supervision over sales, charters, transfers, reallocations, reassignments, and requisitions of all vessel tonnage in connection with emergency transportation.

The primary duty of the new Division of Emergency Shipping will be to make the most efficient possible use of available American flag tonnage.

# DEFENSE

★ OFFICIAL BULLETIN  
★ of the NATIONAL DEFENSE  
★ ADVISORY COMMISSION  
★ Washington, D. C. Issued Weekly  
★ MAR. 11, 1941 • VOL. 2, NO. 10

## Mr. Henderson's warning that a schedule of maximum prices for scrap iron and steel will be established soon

A warning that a schedule of maximum prices for scrap iron and steel presently will be established at a rate below prices current in the scrap metal market was issued March 7 by Leon Henderson, commissioner of price stabilization, National Defense Advisory Commission.

In response to inquiries from the Pacific coast and other regions, the following statement was issued by Mr. Henderson:

"A set of geographical and grade differentials has been submitted to all interested divisions of the industry, including foundries, scrap dealers, and steel manufacturers, for criticism and discussion.

"After the Division has given due consideration to all of these criticisms and suggestions, there is no doubt that a schedule of maximum prices on grades at various points in the United States, including the Pacific coast, will be established. All of these prices will be below \$20 a ton, Pittsburgh."

## Magnesium, nickel, and Neoprene placed under priority control

Following imposition of formal priorities on aluminum and machine tools February 28, all producers of magnesium were put under a mandatory priority status by the Division of Priorities, Office of Production Management March 3, and all supplies of nickel and Neoprene on March 7.

E. R. Stettinius, Jr., director of priorities, said that the action taken in both nickel and Neoprene was made necessary by defense needs.

The control imposed on nickel will make it possible for the Division and the industry to facilitate the prompt flow of the metal into defense industries working on both British and Canadian orders and orders for the Army and Navy.

### Equal treatment

Mr. Stettinius said that, as in the case of machine tools and aluminum, British and Canadian and United States defense orders will be given equal treatment.

All defense orders for nickel, including orders for the British and Canada, are to bear a rating of A-2, except for those orders which may be given a higher rating by the Division. Thus all defense needs will be placed ahead of civilian and nondefense needs. The ratings higher than A-2 will be made available for British and Canadian orders, as well as for Army and Navy orders, when necessary.

The nickel figures show that in the month of March the United States will get approximately 14,500,000 pounds of nickel from Empire sources, representing about 70 percent of the total British Empire production. It is estimated that 15 percent of the 1941 supply sent to the United States will go into nickel steels or other material for Britain and Canada.

The following letter was sent to the International Nickel Co., and a similar order to Brandeis-Goldschmidt Co. A letter to the E. L. du Pont de Nemours Co., producers of Neoprene, followed the same general form as that issued for nickel.

THE INTERNATIONAL NICKEL CO., INC.,  
67 Wall Street, New York, N. Y.

DEAR SIR: The supply of nickel which has been provided in the United States since October 1940 is at a rate double that for the highest previous year. Available data indicate that the supplies which will flow to this country will be enough to provide for defense needs, with some excess for civilian needs. It also appears, however, that the total demand for nickel, including defense and nondefense needs, is now greater than the total supply.

Although since the inception of the sharply increased demands for nickel in defense channels, the International Nickel Co. has been allocating the available supplies on a voluntary basis, giving preferential treatment to defense needs of the United States and the British Empire, and it is desirable that this general treatment for defense needs be continued, the heavy demands make it advisable that the policy which you have been following should be brought under formal control.

Accordingly I am attaching the following order:

### ORDER

Pursuant to the authority conferred on the Office of Production Management and on the Director of the Priorities Division by the Executive Order No. 8269 dated January 7, 1941, and issued pursuant to the act of June 28, 1940, I hereby order in the interests of national defense, that any contracts or orders for nickel and nickel-containing material placed with the International Nickel Co., Inc., which enter, directly or indirectly, into the manufacture of any material for the Army or the Navy (hereinafter called "defense orders") and which do not bear a higher preference rating shall have a preference rating of A-2. The purpose of this rating is to insure delivery on the required delivery date (viz, in time to permit your customers to meet the delivery dates required on the corresponding orders or contracts to be fulfilled by them) insofar as this can be done without prejudice to contracts placed with you bearing equal or superior ratings. Any contracts or orders placed with suppliers of such material which enter directly or in-

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# DEFENSE

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## ARMY DAY, APRIL 7

Since April 6, originally set as Army Day by the Military Order of the World War, falls on Sunday, celebrations this year will be on Monday, April 7, 1941. The Secretary of War has urged all arms and branches of the Army to give cordial and enthusiastic support to the celebration. Cooperation in the form of reviews, open house celebrations, ground exhibits, and other features, has been suggested to all unit commanders.

# PRICE STABILIZATION . . .

## Establishment of a top price of 11 cents a pound for mixed aluminum scrap sold by manufacturers of airplanes

Eleven cents a pound was established as a top price for mixed aluminum scrap sold by airplane manufacturers, in telegrams sent March 3 to airplane manufacturers and scrap metal dealers by C. A. Bishop, acting head of the Price Section, Division of Price Stabilization, National Defense Advisory Commission.

The price will apply to unsegregated aluminum clips (mixed aluminum scrap) which are to be released to the dealers under a recent order by the Division of Priorities, Office of Production Management.

### Price schedule soon

A price schedule for all aluminum scrap will be issued by the Price Stabilization Division soon, Mr. Bishop informed the manufacturers and dealers. Exact levels at which "ceiling" prices will be fixed have not yet been determined, he said, but as long as the price of virgin aluminum remains at 17 cents a pound the price of aluminum scrap will probably be less than 11 cents.

The telegram to 17 airplane manufacturers reads as follows:

"You have heretofore been advised by the Division of Priorities, OPM, to release unsegregated aluminum clips from the directions contained in the Division's letter of February 11. Until such time as a price schedule for aluminum scrap is issued by this Division, we request your cooperation in disposing of such scrap to purchasers who have customarily been buying from you, at a price not to exceed 11 cents per pound.

### Price may decrease

"This price may subsequently be decreased but it will not be increased so long as the price of virgin aluminum is established at 17 cents per pound. We are also requesting the cooperation of all dealers and advising them not to bid in excess of this price."

The telegram to 100 scrap-metal dealers reads:

"Aircraft companies have heretofore been authorized by the Division of Pri-

orities, OPM, to dispose of their aluminum clips to the secondary market. We have this day requested these companies to sell such scrap to dealers who have been customarily purchasing from them, at a price not to exceed 11 cents per pound. We request you not to bid in excess of this price."

On March 5, the Division called on secondary smelters to furnish full information about their inventories and orders for remelted aluminum.

A telegram sent to the secondary smelters by C. A. Bishop, acting head of the Price Section of the Division, reads as follows:

"Please forward to the Price Stabilization Division of the Advisory Commission to the Council of National Defense before 5 p. m. Thursday, March 6, the following:

"1—Inventory in dollars and pounds of aluminum scrap in hand on January 1, 1941.

"2—Inventory in dollars and pounds of aluminum scrap in hand on March 1, 1941.

"3—Totals in dollars and pounds of noncancelable unfilled purchase orders for aluminum scrap as of March 1, 1941.

"4—Totals in dollars and pounds of shipments of secondary aluminum for January and February.

"5—Totals in dollars and pounds of firm orders for future shipments of secondary aluminum at prices in excess of 17 cents.

"This information will be kept strictly confidential. Ceiling prices now under consideration. Prompt receipt of above information by this Division is of utmost importance to you."



## YELLOW-FEVER VACCINATION

The War Department announced March 7 that regulations providing for vaccination against yellow fever of all United States military personnel now stationed in the tropical regions of the Western Hemisphere, including Panama and Puerto Rico, have been prescribed by the Surgeon General of the Army.



# PRIORITIES . . .

(Continued from page 1)

directly into the manufacture of any material purchased by Great Britain or Canada which do not bear a higher preference rating, are hereby assigned a preference rating of A-2. It is the policy of the Priorities Division to issue any higher ratings equally to British and Canadian and to domestic defense orders. If necessary, above-mentioned delivery dates are to be met at the expense of any other contracts placed with you for private account or for export, bearing no ratings or lower ratings.

If any person believes that cessation of production of particular articles now in the process of production caused or to be caused by compliance with this order would result in grave hardship, he shall refer such cases to the Division of Priorities for its determination. Where there is doubt as to whether a particular order constitutes a defense order, the matter shall also be referred to the Division of Priorities with all known facts, for its determination. It is further ordered that the sequence of filling orders or contracts having a preference rating of A-2 shall be based on the *required delivery dates* for such orders and contracts.

It is necessary for the proper administration of the priorities system that you submit to the Priorities Division once each month, at least 1 week in advance of the beginning of the month, a list showing the deliveries of such materials which you propose to make during the following month. The Priorities Division will take appropriate action with respect to such list.

This order shall supersede all previous orders, requests, and communications inconsistent herewith and shall be effective from March 7, 1941, to September 30, 1941, subject to amendment or modification by the Director of Priorities as the interests of national defense require.

A letter sent out on the subject of magnesium by Mr. Stettinius said that all defense orders not already bearing a higher rating should be assigned a preference rating of A-2, in order to insure delivery of materials on the required delivery date.

## Text of letter

Mr. Stettinius wrote:

"As indicated in my letter of February 13, 1941, recent developments with respect to magnesium make it necessary in the interests of national defense requirements for such material to be given preference over civilian requirements. Accordingly, pursuant to the authority conferred on the Office of Production Management, and on the Director of the Priorities Division, by Executive Order No. 8269, dated January 7, 1941, and issued pursuant to the act of June 28, 1940, I hereby order that any contracts or orders for magnesium placed with suppliers of such material which enters directly or indirectly into the manufacture of any material for the Army or the

Navy (hereinafter called "Defense Orders") and which do not bear a higher preference rating shall have a preference rating of A-2.

"The purpose of this rating is to insure delivery on the *required delivery date* insofar as this can be done without prejudice to contracts or orders placed with you bearing equal or superior ratings, but if necessary, at the expense of any other contracts or orders placed with you for private account or for export, bearing no ratings or lower ratings. Any contracts or orders placed with suppliers of such material which enter directly or indirectly into the manufacture of any material purchased by Great Britain, which do not bear a higher preference rating, are hereby assigned a preference rating of A-2.

## Reference to Division

"If any person believes that cessation of production of particular articles now in the process of production, caused or to be caused by compliance with this order, would result in grave hardship, he shall refer such cases to the Division of Priorities for its determination.

"Where there is doubt as to whether a particular order constitutes a Defense Order, the matter shall also be referred to the Division of Priorities, with all known facts, for its determination. It is further ordered that the sequence of filling Defense Orders bearing an A-2 rating, and other orders or contracts bearing an A-2, shall be based on the delivery dates for such orders and contracts."

## Submitting list

"It is necessary for the proper administration of the priorities system that you submit to the Priorities Division once each month, at least 1 week in advance of the beginning of the month, a list showing the orders or contracts for such material booked by you, deliveries under which are proposed to be made during the following month. The Priorities Division will take appropriate action with respect to such list.

"This order shall supersede all previous orders, requests, and communications inconsistent herewith, shall be effective March 1, 1941, and shall be subject to amendment and modification by the Director of Priorities as the interests of national defense require."

## Restrictions on sale of refrigerator ice trays containing aluminum

Estimating that about 800,000 pounds of aluminum a month can be saved during the next several months by the plan, with other appreciable savings during the rest of the year, E. R. Stettinius, Jr., director of priorities for the Office of Production Management announced March 8 that the mechanical refrigerator industry has been asked to reduce the number of aluminum ice trays furnished domestic users.

The main saving will come during the 4 months immediately ahead, the major sales period for mechanical refrigerators.

## Letter to manufacturers

A letter on the subject has been sent by Mr. Stettinius to manufacturers of electric, gas, and other mechanical refrigerators for domestic use, and is also being referred to jobbers and dealers. The letter said:

To implement priority orders issued, and to conserve aluminum for national defense purposes, the sale of ice trays made of or containing aluminum for use in mechanical refrigerators should be restricted as follows:

1. With the sale of new refrigerators, there may be included aluminum ice trays as follows:

Boxes less than 6 cubic feet capacity—one tray, 2-pound capacity.

Boxes 6 cubic feet or more, but less than 10 cubic feet—two trays, approximately 4 pounds total capacity.

Boxes 10 cubic feet or more—four trays, approximately 8 pounds total capacity.

2. Aluminum trays should not be sold separately.

These restrictions do not apply to trays which do not contain aluminum.

In sending out the letter, Mr. Stettinius called attention to the fact that the Consumers Division of the National Defense Advisory Commission, in cooperation with the Bureau of Home Economics of the Department of Agriculture, is engaged in studies on the development of satisfactory substitutes for aluminum in ice trays, including plastics and rubber.

## Action for disposition of large quantities of aluminum scrap held by aircraft manufacturers

Action providing for the disposition of large quantities of high-grade aluminum scrap held by aircraft manufacturers was announced March 6 by E. R. Stettinius, Jr., director of priorities for the Office of Production Management.

Military airplane manufacturers were instructed last month to hold their high-grade scrap for later return to the original source of supply.

In a letter sent to these manufacturers, Mr. Stettinius set forth a detailed formula under which the return is to be made.

The letter said:

Pursuant to communications from this office dated February 11 and February 28, the following instructions are herewith issued in regard to the segregation of aluminum scrap:

In future—

1. Unpainted and unlacquered strong alloy scrap in the form of sheet clippings and mutilated sheets, tube ends, and mutilated tubing, and extrusion ends and mutilated extrusions shall be segregated as to alloy regardless of temper as follows:

Group (a) -----	17S
Group (b) -----	17S Alclad
Group (c) -----	24S
Group (d) -----	24S Alclad
Group (e) -----	52S

Please note that Alclad products are to be separated as individual alloys.

2. The above segregation by alloy shall be carefully and rigorously carried out so that scrap from the above aluminum alloys is clearly and unquestionably identified without chemical analysis.

3. From the standpoint of the fabricator it is very desirable that all scrap be received for toll fabrication in briquetted form.

4. Aluminum scrap segregated as described above shall be returned for toll fabrication to your suppliers of the original aluminum in approximate proportion to your purchases of the original aluminum from them.

5. Any deviation from the above plan of segregation shall be worked out in detail with the toll fabricator.

Aluminum scrap in forms and alloys other than those named above shall be disposed of as heretofore. Each sale shall be reported promptly in terms of weight, selling price, and buyer to Mr. Frank B. Cliffe, office 4612, Office of Production Management, new Social Security Building, Washington, D. C.

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## INSTRUCTION IN SPANISH

In view of the increased travel by Army Air Corps officers in the Western Hemisphere, the War Department has announced that all Air Corps officers, including those of the Federalized National Guard, should receive instruction in the Spanish language. Pending availability of funds, it is desired that every effort be made to provide such instruction by improvised methods if necessary, the Department said.

## Air-line accessory suppliers should fill commercial lines' orders if it can be done without hampering defense

Because many recent questions have indicated a misunderstanding by suppliers of air-line accessories and maintenance items as to their rights, under the defense program, to furnish these parts to scheduled commercial air lines, the Priorities Division of the Office of Production Management March 3 announced that orders for such items should be filled promptly when this can be done without interfering with the military aircraft program.

E. R. Stettinius, Jr., director of priorities, said it is the intention of the Division to see to it that there is a free flow of necessary parts and accessories to the air lines, for maintenance and repair purposes. This is in line with the general policy of the Division of aiding the air lines in meeting their reasonable needs.

During recent weeks, Mr. Stettinius said, inquiries have shown that the producers of aircraft parts and accessories were not fully informed about their rights in filling orders from the civilian air lines. Mr. Stettinius and Arthur D. Whiteside, chairman of the commercial aircraft group, joined in a statement which said:

"It should be made clear that there is nothing in the present defense program to prevent manufacturers from filling these commercial contracts for parts and accessories, used for maintenance and repair purposes, so long as this does not impede the execution of the military contracts, and these commercial orders need not be accompanied by preference ratings."

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## Announcement of a pool plan to take care of the urgent needs for zinc for defense purposes

The priorities division of the Office of Production Management announced March 7 that a plan has been worked out with representatives of the zinc industry to take care of urgent requirements for zinc for defense purposes.

E. R. Stettinius, Jr., director of priorities for the Office of Production Management, said that under the plan the

Priorities Division will instruct each zinc producer month-by-month to set aside a quantity of the metal subject to priority allocation. The allocation will be made by the Division.

### Five percent in April

The plan will go into effect on production for the month of April. For that month all producers of slab zinc will set aside 5 percent of their total production. This will create a pool of the metal which can be promptly allocated by the Priorities Division to ease shortages as they may occur in defense industries.

Officials of the Priorities Division believe that the plan, which can be modified from month to month, will make it possible for the zinc industry to meet the present zinc requirements in defense plants.

### Tight situation

A tight situation in the supply of zinc developed some weeks ago when manufacturers of military brass, into which zinc enters, experienced difficulty in obtaining sufficient supplies.

This problem was met on a temporary basis through a rearrangement of orders approved by the Priorities Division.

Demands for zinc, from both defense and nondefense industries, continue to be urgent, however, and although production of the metal is expected to increase during the latter part of this year, it is apparent that the present situation cannot be entirely met by a rearrangement of shipping schedules.

Because of these factors, the Priorities Division has decided that the priorities system should be applied to a portion of total zinc production. The 5 percent figure is considered adequate for present needs.

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## Contract award for construction of flying school near Macon, Ga.

The War Department announced March 4 the award of a contract, cleared by the Office of Production Management, on a cost-plus-fixed-fee basis, to MacDougald Construction Co., Griffin Construction Co., Inc., and Nonnemaker-Clayton Construction Co., all of Atlanta, Ga., for the construction of Flying School No. 1, near Macon, Ga., at an estimated cost of \$2,094,735.

A collateral contract has also been awarded to the J. B. McCrary Engineering Corporation, also of Atlanta, for architectural and engineering services in connection with this project.

# PURCHASES . . .

## 231 Certificates of Necessity for plant expansion from February 15 to February 28

Applications for 231 Certificates of Necessity for plant expansion were issued to 180 corporations from February 15 to February 28, bringing the total for the month to 324 certificates, issued to 269 corporations, the National Defense Advisory Commission announces.

Approximate cost of facilities covered by the certificates in the last half of the month was \$234,271,000, compared with \$63,977,000 for the first half of February. The total for the month was \$298,248,000, compared with \$192,052,000 in January.

Certificates of necessity enable manufacturers to avail themselves of the 60-month income tax amortization of plant cost provided for under section 124 of the Internal Revenue Code. Estimates are subject to audit by the Commissioner of Internal Revenue.

The list of manufacturers who received certificates from February 16 through February 28 follows:

Adel Precision Products Corporation, Burbank, Calif.; airplane accessories and parts; \$289,000.

Aero Supply Manufacturing Co., Inc., Cory, Pa.; aircraft-screw machine and precision parts; \$82,000.

The Aetna-Standard Engineering Co., Youngstown, Ohio; gun carriages; \$723,000.

African Metals Corporation, New York, N. Y.; cobalt metal and oxide; \$570,000.

Air Associates, Inc., Bendix, N. J.; airplane accessories; \$322,000.

The Alabama Great Southern Railroad Co., Birmingham, Ala.; transportation; \$86,000.

Allegheny Ludlum Steel Corporation, Pittsburgh, Pa.; carbon, alloy, silicon, and steel; \$1,045,000.

Alloy Steel Products Co., Inc., Linden, N. J.; valves and fittings; \$25,000.

Aluminum Co. of America, Pittsburgh, Pa.; pig aluminum, carbon electrodes, and castings; \$33,523,000.

Aluminum Ore Co., Pittsburgh, Pa.; alumina, fluorspar, cryolite; \$5,086,000.

American Broach & Machine Co., Ann Arbor, Mich.; broaching machine tools; \$65,000.

The American Crucible Products Co., Lorain, Ohio; bronze and babbit bearings; \$66,000.

American LaFrance Foamite Corporation, Elmira, N. Y.; landing gear parts for airplanes; \$40,000.

American Locomotive Co., New York, N. Y.; gun carriages; \$961,000.

American Magnesium Corporation, Cleveland, Ohio; magnesium sand castings, powder, die castings; \$556,000.

American Optical Co., Southbridge, Mass.; aviation and protection goggles; \$455,000.

American Smelting & Refining Co., New York, N. Y.; refined tin and zinc (spelter); \$308,000.

American Transformer Co., Newark, N. J.; rectifiers; \$144,000.

American Zinc Co. of Illinois, St. Louis, Mo.; slab zinc (spelter); \$1,185,000.

Arma Corporation, Brooklyn, N. Y.; fire control apparatus and navigation equipment; \$454,000.

Armstrong Cork Co., Lancaster, Pa.; shells; \$192,000.

The Aro Equipment Corporation, Bryan, Ohio; airplane parts; \$175,000.

Aviation Manufacturing Corporation, Williamsport, Pa.; airplane engines; \$1,597,000.

The Babcock & Wilcox Co., N. Y., N. Y.; gun parts; \$111,000.

R. H. Baker & Co., Inc., Huntington Park, Calif.; airplane parts; \$9,000.

The Baldwin Locomotive Works, Eddystone, Pa.; guns, mounts, and shells; \$330,000.

The Baltimore & Ohio R. R. Co., Baltimore, Md.; transportation; \$325,000.

M. L. Bayard & Co., Inc., Philadelphia, Pa.; cranes, winches, and elevators; \$42,000.

Bendix Aviation Corporation, Brooklyn, N. Y.; electrical equipment for communication and fire alarm units; \$264,000.

Bendix Aviation, Ltd., Burbank, Calif.; airplane parts; \$302,000.

Boeing Aircraft Co., Seattle, Wash.; aircraft; \$96,000.

Borg-Warner Corporation, Chicago, Ill.; cartridge cases; \$150,000.

Bradford Machine Tool Co., Cincinnati, Ohio; lathes and accessories; \$65,000.

Bridgeport Brass Co., Bridgeport, Conn.; cartridge cases; \$149,000.

Buffalo Niagara Electric Corporation, Buffalo, N. Y.; transmission of electrical power; \$41,000.

Callaway Mills, LaGrange, Ga.; cotton khaki tent duck; \$2,000.

Cape Ann Tool Co., Pigeon Cove, Mass.; aircraft and vehicles drop forgings; \$103,000.

The Carpenter Steel Co., Reading, Pa.; steel products; \$1,101,000.

The Champion Machine & Forging Co., Cleveland, Ohio; forgings for gun mounts and airplane engines; \$103,000.

Chase Brass & Copper Co., Inc., Waterbury, Conn.; cartridge cases; \$670,000.

The Chicago Gear Manufacturing Co., Chicago, Ill.; geared lathe heads for guns; \$131,000.

The Cincinnati Ball Crank Co., Cincinnati, Ohio; bursters; \$56,000.

Cincinnati, New Orleans & Texas Pacific Ry. Co., Cincinnati, Ohio; transportation; \$173,000.

Colorado Fuel & Iron Corporation, Denver, Colo.; forgings for shells; \$734,000.

Columbian Iron Works, Chattanooga, Tenn.; machining of shells; \$188,000.

Cone Automatic Machine Co., Windsor, Vt.; automatic screw machines; \$216,000.

Consolidated Machine Tool Corporation, Rochester, N. Y.; lathe, boring mill and planer machinery; \$461,000.

Crescent Tool Co., Jamestown, N. Y.; wrenches, pliers, snips and hack-saws; \$104,000.

Curtiss-Wright Corporation, Buffalo, N. Y.; pursuit planes and propellers; \$6,095,000.

C. R. Daniels, Inc., New York City, N. Y.; cotton duck; \$70,000.

DeLaval Steam Turbine Co., Trenton, N. J.; drawings and parts for reduction gears and feed pumps for destroyers; \$396,000.

The Dicke Tool Co., Inc., Downers Grove, Ill.; reel units; \$8,000.

Doehler Die Casting Co., New York, N. Y.; aeroplane instruments and parts and castings; \$572,000.

The Dow Chemical Co., Midland, Mich.; acrylo nitride, magnesium metal, thickol and butadine; \$12,249,000.

E. I. duPont de Nemours & Co., Wilmington, Del.; centralite, dinitroloene, nitrate acid and smokeless powder; \$8,460,000.

Eastman Kodak Co., Rochester, N. Y.; telescopes; \$621,000.

Eaton Manufacturing Co., Cleveland, Ohio; aircraft engine parts and propeller shafts; \$1,403,000.

The Eastern Machinery Co., Cincinnati, Ohio; rebuilt machine tools; \$248,000.

The Electric Auto-Lite Co., Toledo, Ohio; fuses and boosters; \$240,000.

Electro-Motive Corporation, La Grange, Ill.; Diesel power plants; \$1,868,000.

The Emerson Electric Mfg. Co., St. Louis, Mo.; boosters; \$123,000.

Fairchild Engine & Airplane Corporation, New York, N. Y.; airplane engines and spare parts; \$1,464,000.

Federal-Mogul Corporation, Detroit, Mich.; airplane engine main and rod bearings; \$469,000.

Foot Bros. Gear & Machine Corporation, Chicago, Ill.; precision gears and parts; \$1,941,000.

Foot, Pierson & Co., Inc., Newark, N. J.; aircraft radio accessories; \$79,000.

The Fulton Sylphon Co., Knoxville, Tenn.; cartridge cases and projectiles; \$49,000.

The Gabriel Co., Cleveland, Ohio; machining of shells and fin assemblies; \$47,000.

The Garrett Corporation, Los Angeles, Calif.; aircraft parts; \$318,000.

General Metals Corporation, Oakland, Calif.; drop forgings for production of airplanes and motors; \$40,000.

General Motors Corporation, Detroit, Mich.; cartridge cases and truck parts; \$1,026,000.

Georgia Southern & Florida Ry. Co., Macon, Ga.; transportation; \$18,000.

Giddings & Lewis Machine Tool Co., Fond du Lac, Wis.; boring and milling machines; \$1,150,000.

Goodyear Aircraft Corporation, Akron, Ohio; airplane surface parts; \$404,000.

The Goodyear Tire & Rubber Co., Akron, Ohio; gas masks and synthetic rubber; \$260,000.

Gould & Eberhardt, Newark, N. J.; metal shaping and hobbing machines; \$130,000.

Greenfield Tap & Die Corporation, Greenfield, Mass.; gages and high speed taps; \$357,000.

Harvill Aircraft Die Casting Corporation, Los Angeles, Calif.; dies and die-casting parts for airplanes; \$326,000.

Hayes, Industries, Inc., Jackson, Mich.; airplane wheels and brakes; \$144,000.

Hercules Powder Co., Wilmington, Del.; smokeless rifle powder; \$77,000.

William E. Hooper & Sons Co., Philadelphia, Pa.; cotton, duck, and rope cords; \$80,000.

The Hoover Co., North Canton, Ohio; machining of shell fuses; \$474,000.

Illinois Gear & Machine Co., Chicago, Ill.; bevel gears, pinions, and hangar hatches; \$31,000.

Independent Lock Co., Fitchburg, Mass.; fuzes; \$181,000.

The Ingalls Shipbuilding Corporation, Birmingham, Ala.; shipbuilding; \$1,936,000.

The Ingersoll Milling Machine Co., Rockford, Ill.; machine tools and milling, adjustable rail machines; \$435,000.

International Nickel Co., Inc., New York City, N. Y.; gun parts; \$989,000.

International Projector Corporation, New York, N. Y.; aviation instruments; \$216,000.

Walter Kidde & Co., Inc., Bloomfield, N. J.; airplane accessories; \$181,000.

The Kilgore Manufacturing Co., Westerville, Ohio; parachute flares and signals; \$60,000.

The Lapointe Machine Tool Co., Hudson, Mass.; broaching machines and tools; \$14,000.

Latrobe Electric Steel Co., Latrobe, Pa.; high speed, magnet and chisel steel; \$1,605,000.

The Lawson Machine & Tool Co., Malden, Mass.; aircraft engine parts; \$60,000.

Lebanon Steel Foundry, Lebanon, Pa.; castings for warships; \$229,000.

The LeBlond Engineering Co., Norwood, Ohio; general machine work; \$329,000.

Leeds & Northrup Co., Philadelphia, Pa.; heat treating furnaces; \$200,000.

Lehigh Valley Railroad Co., New York City, N. Y.; transportation; \$2,317,000.

Leich Electric Co., Genoa, Ill.; field switchboards; \$15,000.

Le Tourneau Co., of Georgia, Toccoa, Ga.; machining shells; \$85,000.

Liberty Tool & Gage Works, Inc., Providence, R. I.; tools and gages; \$71,000.

Lincoln Machine Co., Pawtucket, R. I.; grinders, milling and rifling machines; \$63,000.

W. C. Lipe, Inc., Syracuse, N. Y.; lathes and automotive clutches; \$55,000.

Lukenweld, Inc., South Coatesville, Pa.; steel weldments for guns, engines, gears; \$255,000.

Machinery Mfg. Co., Los Angeles, Calif.; machine tools; \$35,000.

The Mississippi Central R. R. Co., Scranton, Pa.; transportation; \$150,000.

The Monarch Machine Tool Co., Sidney, Ohio; metal-working lathes; \$155,000.

The Morton Mfg. Co., Muskegon Heights, Mich.; milling, boring, and planing machine; \$39,000.

O. T. Muehlemaier Heat Treating Co., Rockford, Ill.; airplane parts; \$4,000.

Nantahala Power & Light Co., Franklin, N. C.; electric power; \$15,073,000.

National Carbide Corporation, New York, N. Y.; calcium carbide; \$963,000.

National Pneumatic Co., Inc., New York City, N. Y.; boosters, guns, mine and bomb fuses; \$153,000.

National Steel Corporation, Pittsburgh, Pa.; pig iron, coke, and structural steel products; \$10,250,000.

The National Supply Co., Pittsburgh, Pa.; forging for shells; \$187,000.

The New Jersey Zinc Co., New York, N. Y.; washed oxide of zinc; \$101,000.

Newport News Shipbuilding & Dry Dock Co., Newport News, Va.; cruisers and aircraft carriers; \$1,087,000.

Niagara Lockport & Ontario Power Co., Buffalo, N. Y.; transmission of electric power; \$70,000.

Niagara Machine & Tool Works, Buffalo, N. Y.; gears for presses and machine tools; \$52,000.

Nordberg Manufacturing Co., Milwaukee, Wis.; marine diesel engines and bronze castings; \$316,000.

North American Aviation, Inc., Inglewood, Calif.; airplanes and parts; \$703,000.

The Ohio Seamless Tube Co., Shelby, Ohio; seamless steel tubing; \$194,000.

Omaha Steel Works, Omaha, Nebr.; machining of shells; \$17,000.

Palo Alto Airport, Inc., Palo Alto, Calif.; primary training of pilots; \$262,000.

The Park Drop Forge Co., Cleveland, Ohio; dies and forgings for aircraft engines; \$476,000.

Perkins Machine & Gear Co., West Springfield, Mass.; gears, shafts, and adapters for aircraft; \$359,000.

The Pipe Machinery Co., Cleveland, Ohio; pipe threading equipment and special tools; \$126,000.

Pittsburgh Metallurgical Co., Inc., Niagara Falls, N. Y.; ferro-alloys; \$111,000.

The Plomb Tool Co., Los Angeles, Calif.; machine hand tools; \$79,000.

Precision Parts Co., Ann Arbor, Mich.; aircraft, tank, and scout-car bolts and pins; \$19,000.

Pressed Steel Car Co., Inc., Pittsburgh, Pa.; forgings for shells; \$39,000.

Puget Sound Sheet Metal Works, Seattle, Wash.; sheet metal, structural steel, and roofing; \$35,000.

Pump Engineering Service Corporation, Cleveland, Ohio; pumps, valves, and cylinders; \$708,000.

Quimby Pump Company, Inc., Newark, N. J.; pumps for naval vessels; \$128,000.

RCA Manufacturing Co., Camden, N. J.; radio transmitting and receiving apparatus; \$2,370,000.

Reid Brothers Co., Inc., Beverly, Mass., surface grinding machinery; \$31,000.

Republic Mining & Manufacturing Co., New York, N. Y.; bauxite ore; \$503,000.

The Robertshaw Thermostat Co., Youngwood, Pa.; boosters; \$127,000.

Romeo Pump Co., Elyria, Ohio; aircraft pumps; \$36,000.

Ryan Aeronautical Co., San Diego, Calif.; primary training of pilots; \$72,000.

Ryan School of Aeronautics, San Diego, Calif.; primary training of pilots; \$213,000.

The St. Lawrence River Power Co., Massena, N. Y.; electric power; \$199,000.

The Sawbrook Steel Castings Co., Lockland, Ohio; steel castings; \$58,000.

Schwitzer-Cummins Co., Indianapolis, Ind.; cases, cartridge; \$295,000.

Scoville Mfg. Co., Waterbury, Conn.; cartridge cases; \$2,519,000.

Sheet Aluminum Corporation, Jackson, Mich.; aluminum and aluminum alloys; \$85,000.

The Sidney Machine Tool Co., Sidney, Ohio; lathes, milling, and coils winding machines; \$171,000.

Simmons Machine Tool Corporation, Menands, N. Y.; boring and turning lathes; \$101,000.

Snyder Tool & Engineering Co., Detroit, Mich.; milling, drilling, and grinding machinery; \$82,000.

Southern Chemical Cotton Co., Chattanooga, Tenn.; bleached cotton linters; \$151,000.

Southern Railway Co., Richmond, Va.; transportation; \$715,000.

Spicer Manufacturing Corporation, Toledo, Ohio; truck parts; \$1,428,000.

Springfield Bronze & Aluminum Co., Springfield, Mass.; magnesium sand castings; \$15,000.

Square D. Corporation, Detroit, Mich.; aircraft instruments; \$613,000.

Stacy Machine Works, Inc., Springfield, Mass.; jigs, fixtures for machine tool parts; \$44,000.

Standard Forgings Corporation, Chicago, Ill.; forgings for shells; \$115,000.

The Steel Improvement & Forge Co., Cleveland, Ohio; aircraft, tank, and torpedo forgings; \$447,000.

Stewart-Warner Corporation, Chicago, Ill.; fuses; \$389,000.

Stockham Pipe Fittings Co., Birmingham, Ala.; machining of shells; \$81,000.

Tennessee Coal, Iron & R. R. Co., Birmingham, Ala.; pig-iron, ingots, and steel products; \$23,500,000.

Thompson Products, Inc., Cleveland, Ohio; aircraft engine parts; \$642,000.

The Timken Roller Bearing Co., Canton, Ohio; electric furnace steels; \$3,639,000.

Triton Chemical Company, Inc., Wilmington, Del.; trinitrotoluene; \$474,000.

The Trojan Powder Co., Allentown, Pa.; pentaerythritol, loading and assembling of bombs and shells; \$397,000.

The Tube Reducing Corporation, Stamford, Conn.; seamless steel tubing; \$767,000.

The United Aircraft Corporation, East Hartford, Conn.; aircraft propellers and parts; \$31,612,000.

The United States Aluminum Co., Pittsburgh, Pa.; aluminum sand castings and airplane cylinder heads; \$1,560,000.

Vega Airplane Co., Burbank, Calif.; airplanes and parts; \$6,452,000.

Vinco Corporation, Detroit, Mich.; machine tools; \$145,000.

The Virginian Railway Co., Norfolk, Va.; transportation; \$1,336,000.

Vultee Aircraft, Inc., Vultee Field, Calif.; aircraft; \$4,260,000.

Wabash Railway Co., St. Louis, Mo.; transportation; \$49,000.

Walworth Co., Kewanee, Ill.; machining of shells; \$540,000.

The S. K. Wellman Co., Cleveland, Ohio; clutch and brake parts for airplanes and tanks; \$405,000.

Western Maryland Ry. Co., Baltimore, Md.; transportation; \$2,374,000.

Wickes Brothers, Saginaw, Mich.; boring mills, lathes, and special tools; \$345,000.

Winter Brothers Co., Wrentham, Mass.; studs, aircraft motor parts; \$30,000.

Worthington Pump & Machinery Corporation, Harrison, N. J.; durable machine tools and gun mounts; \$1,535,000.

Wright Aeronautical Corporation, Paterson, N. J.; aircraft motors; \$4,289,000.

Wright Machine Co., Worcester, Mass.; boosters; \$63,000.

Wyckoff Drawn Steel Co., Pittsburgh, Pa.; aircraft parts; \$35,000.

Wyman-Gordon Co., Worcester, Mass.; aircraft parts; \$1,346,000.

Z. & M. Machine Products, Inc., Cleveland, Ohio; screw machine products; \$52,000.

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## Appointment of H. B. Cunningham as assistant director of Subsistence and Supplies

Appointment of Howard B. Cunningham of New York as assistant director in charge of Subsistence and Supplies was announced March 4 by Donald M. Nelson, director of the Division of Purchases, Office of Production Management.

Director of purchases for the National Biscuit Co. for several years, Mr. Cunningham will have charge of the section which is advising the Army Quartermaster General's Office on the procurement of foodstuffs for the Army. Before his association with the National Biscuit Co. he was for some 15 years in the milling business in Minneapolis and Kansas City.

His appointment is in line with the Division's program to bring in qualified civilian experts on food purchase and distribution to help the Army men handle all phases of the food-buying program. To assist in this task, the Division has enlisted the services of a large number of men from the food industry, each of whom is qualified to deal with one particular phase of the problem or one specific commodity which is to be bought. These experts will work under Mr. Cunningham's general supervision.

Mr. Cunningham succeeds Mr. Douglas MacKeachie, new deputy director of the Division of Purchases.

## Compilation of defense contracts cleared and awarded, February 27 through March 5

Defense contracts totaling \$49,533,693 were awarded by the Army and Navy and cleared by the Division of Purchases, Office of Production Management, during the period February 27 to March 5, inclusive.

This compares with \$54,887,403 for the previous week, and \$143,028,815 for the week ending February 19. Contracts amounting to \$500,000 or more are cleared by the Division of Purchases of the Office of Production Management.

Cleared contracts awarded by the War Department during the latest period totaled \$9,390,543, and by the Navy Department, \$40,143,150.

### CONSTRUCTION

#### WAR

Three contractors: MacDougald Construction Co., Griffin Construction Co., Inc., Nonnemaker-Clayton Construction Co., all of Atlanta, Ga.; construction of Flying School No. 1, near Macon, Ga.; \$2,049,735.

#### NAVY

Hawaiian Dredging Co. and Associates; deepening and widening channel into Wake Island at Naval Air Station, Wake Island; \$2,000,000.

Two contractors: George H. Flinn Corporation, New York, N. Y., and Great Lakes Dredge & Dock Co., Chicago, Ill.; construction of graving dry dock at Bayonne, N. J.; \$8,600,000.

Westinghouse Electric & Manufacturing Co. of Pittsburgh; construction, equipping, and organizing for operation of a plant for the manufacture and assembly of ordnance equipment near Canton, Ohio; \$16,150,000.

Arundel Corporation & Consolidated Engineering Co., Inc.; shore facilities, dredging, pier at St. Lucia, British West Indies, and Antigua, British West Indies; \$3,810,000.

Hardaway Contracting Co.; construction of barracks and mess hall, administration building, welfare building, etc., at naval air station, Pensacola; \$1,697,000.

Frederick Snare Corporation; construction of temporary shore facilities, dredging, pier at naval air station, Jamaica; \$2,300,000.

General Motors Corporation, Cleveland Diesel Engine Division; construction of propelling machinery for 28 motor minesweepers; \$3,500,000.

### EQUIPMENT AND SUPPLIES

#### WAR

J. L. Stifel & Sons, Inc., Wheeling, W. Va.; cloth, cotton, herringbone twill—3,000,000 yards; \$847,200.

Reeves Brothers, Inc., New York, N. Y.; cloth, cotton, herringbone twill—6,000,000 yards; \$1,775,200.

J. P. Stevens, Inc., New York, N. Y.; cloth, cotton, herringbone twill—2,200,000 yards; \$653,400.

Charles A. Eaton Co., Brockton, Mass.; shoes, service—225,000 pairs; \$730,544.06.

International Shoe Co., St. Louis, Mo.; shoes, service—240,000 pairs; \$782,400.

Brown Shoe Co., Inc., St. Louis, Mo.; shoes, service—240,000 pairs; \$811,200.

#### NAVY

Fairchild Aviation Corporation Jamaica, N. J.; cameras, yokes and bracket mountings; \$1,082,150.

Arundel Corporation and Consolidated Engineering Co., Inc.; purchase, assemble, and fabricate materials at naval air station, Newfoundland, Bermuda, Bahamas, Jamaica, Antigua, St. Lucia, Trinidad, and British Guiana; \$1,004,000.

### ORDNANCE

#### WAR

King Powder Co., Inc., Kings Mills Plant, Kings Mills, Ohio; charges, spotting; \$500,000.

### AIRCRAFT

Douglas Aircraft Co., Santa Monica, Calif.; airplanes, \$1,195,864.

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## Appointment of adviser for women's organizations announced by Nelson A. Rockefeller

Nelson A. Rockefeller, coordinator of commercial and cultural relations between the American Republics, announced on March 6 the appointment of Miss Mary N. Winslow as adviser for civic projects in connection with the activities of women's organizations.

Miss Winslow will serve in the Division of Public Education of the Coordinator's office and will assist in the planning and operation of projects relating to activities of women's organizations.

## Contracts announced for ordnance storage depot in Ohio and troop housing facilities in South Carolina

The War Department announced March 8 supplemental contracts with the Hunkin-Conkey Construction Co., of Cleveland, Ohio, for construction, and Jennings & Lawrence Co., of Columbus, Ohio, for architectural and engineering services for the Ravenna Ammunition Storage Depot at Ravenna, Ohio.

These contracts have been cleared by the Office of Production Management and are for a total estimated cost of \$4,039,675. This ordnance storage depot is directly adjacent to the Ravenna Ordnance Plant (shell loading) now under construction by these funds. The storage facilities will be entirely separate from the shell loading.

### Troop housing

Also announced by the War Department are additional troop housing facilities at Fort Jackson, S. C., under a contract with the J. A. Jones Construction Co., Charlotte, N. C., in the amount of \$3,924,607.31. This contract has also been cleared by the Office of Production Management.

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## New chief of perishable foods section will headquarter in Chicago

Appointment of John A. Martin as chief of the perishable foods section of the Subsistence and Supply Branch was announced March 6 by Donald M. Nelson, director of the division of purchases, OPM.

Mr. Martin is transferring his office to Chicago, where he will have his headquarters in the Chicago Quartermaster's Office.

In this new post he will serve as the chief civilian adviser to the Army Quartermaster Corps in its task of reorganizing the Army's buying of perishable foods—fresh fruits and produce, fresh meats, poultry, eggs, and dairy products. In his Chicago office he will be assisted by technical experts in all of these lines.

Mr. Martin has been serving as special adviser on produce. Before coming to the Division of Purchases, he was vice president and general manager of Wesco Foods Co., Chicago.



# STATE AND LOCAL COOPERATION . . .

## Citation of the shortages of necessary community facilities in many defense areas—discussion by Mr. Frank Bane

Shortages of necessary community facilities, "which are already handicapping the rearmament effort in many critical defense areas," were described by Frank Bane, Director of the Division of State and Local Cooperation, before the Committee on Public Buildings and Grounds of the House of Representatives on March 4.

Mr. Bane characterized the situation as "extremely serious and one in which the Federal Government has some responsibility." He spoke at a hearing on H. R. 3570, the community facilities bill, which authorizes an appropriation of \$150,000,000 to provide community facilities where an acute need or shortage exists or impends which would impede essential national defense activities.

Funds would be made available upon a finding by the President that needed facilities could not otherwise be provided. The money would be expended in the form of loans or grants or both to public agencies for the construction, rehabilitation, and operation of community facilities, or for the direct construction, operation, lease, or sale of such facilities.

### New needs

Early in the national defense program, Mr. Bane pointed out, it was recognized that some new housing would be needed for defense workers. Also in the planning of new industrial plants attention was given to public utilities or community facilities available for plant operation.

However, no provision was made or is being made for expansion of public services to take care of the new concentrations of working population near military camps and cantonments, naval bases and stations, and newly located industrial plants.

Already existing industrial areas are increasingly affected by the vast amounts of contracts being let for their products, Mr. Bane continued.

Shortages of housing, insufficient sanitary and health facilities, overcrowded

transportation services, inadequate recreational facilities, overcrowded schools have resulted.

Defense housing is being supplied through appropriations to the Army and the Navy and through the Lanham Act and is coordinated through the Office of the Defense Housing Coordinator. Access roads are being furnished through appropriations to the Public Roads Administration.

### No provision

But as yet no provisions have been made to supply deficiencies in schools, hospitals, water, and sewer systems, sewage disposal plants, recreational facilities, street-widening, and other community facilities—deficiencies occasioned by defense activities in so-called defense areas.

There are 60 or 75 critical defense areas where shortages of community facilities now exist, and the number of defense areas can be expected to increase. These concentrations of population are taking place so fast that it is far beyond the normal capacity of local communities to increase their facilities rapidly enough to cope with the situation.

### Federal agencies concerned

At the request of the National Defense Advisory Commission and the Office of Production Management, the Division of State and Local Cooperation has accepted responsibility for suggesting and executing plans to remedy the situation. Much work has already been done in cooperation with the National Resources Planning Board, the Coordinator of Defense Housing, the Administrator of Federal Works, the Coordinator of Health, Welfare, and related activities affecting national defense and with other Federal agencies.

The Public Health Service has made intensive surveys of defense-connected hospital, water supply and sewer systems. The Office of Education has ascertained what school facilities are needed in defense areas. The Public Roads Administration knows the road and street requirements.

### Inadequacies noted

Field representatives of the Division of State and Local Cooperation have reported inadequacies of water, gas, sewers, schools, police, and fire protection, hospitals, housing, access roads and streets in many communities, as, for example: At Charlestown, Ind., where a \$74,000,000 powder plant is being built; in San Diego, Calif., where naval expansion, cantonments and aircraft plants have overtaxed water supply and sewer systems; in the Hampton Roads area of Virginia, headquarters of the fifth naval district and principal base of the Atlantic Fleet, where naval expenditures for ship construction will total more than a half billion dollars; at Alexandria, La., where Camp Beauregard is being constructed; at Hattiesburg, Miss., and Starke, Fla., where other cantonments are located; in the Portsmouth, N. H., Kittery, Maine area, and at Bremerton and Seattle, Wash., where ships are under construction, and in many other critical defense areas.

To bring together and to supplement existing studies of community facilities, the Division of State and Local Cooperation is undertaking, at the request of the Office of Production Management, a survey of the over-all need for defense-connected community facilities. This survey, to be completed within 30 days, is being made by a group of engineering consultants experienced in community management (DEFENSE, February 25).

This survey primarily concerns the emergency, and not the normal requirements of the communities.

### Local funds inadequate

All the needs for additional facilities in communities affected by the defense program cannot be met by local financing, Mr. Bane asserted. In many cases, fixed debt limits restrict borrowing and there is also a natural reluctance to commit a community's financial resources over a long period for some types of emergency construction.

In addition to capital outlays, operating costs must be considered. It is unlikely that the additional revenues of many cities will pay for the increased local expenditures attributable to defense activities. Many new industrial plants will be tax-free locally because of the Federal title and others may be underassessed. In any event, there would be a great lag between impact of



the increased need for public services and receipts from the assessment of real property.

#### Joint financial responsibility

In light of these considerations, Mr. Bane proposed that the Federal Government share the cost with the communities "in such proportion that the communities will be relieved of those elements of cost which might be attributable to the risk represented by an indeterminate defense period, and of those costs which are in excess of those increased revenues."

"It is clearly the duty of the Federal Government," he said, "in cooperation with the States and local communities, to see to it that no defense activity, whether military, naval or industrial, is impeded by reason of shortages in essential community facilities. In terms of public morale, these things may make the difference between success or failure in our defense effort."

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### Majority of 1941 legislatures consider defense measures

Bills providing for a State defense council, State guard, regulation of explosives, prevention of sabotage, or other defense aspects of law enforcement are either under consideration or already approved by the majority of State legislatures in session this year, according to the Division of State and Local Cooperation.

Six of the 1941 legislatures have now passed measures for State defense agencies and four of these have become law. The Wyoming act was approved by Gov. Nels H. Smith on February 18 (S. 76, Laws of 1941). Laws have also been approved in Iowa, Nebraska, and New York (DEFENSE, March 4). In Montana and Delaware, defense council bills have been passed and wait approval.

#### Wyoming act

Under the Wyoming act, which also provides for a State guard, the Governor is directed to appoint a State council of defense to assist in all matters pertaining to the State guard and other State or national defense activities. The council has authority, subject to the Governor's approval, to organize subordinate branches and to establish rules and regulations for their operation.

Defense council bills of one type or another have been favorably acted upon by one house of the legislature in several States, including Colorado, Connecticut, Indiana, Pennsylvania, Rhode Island,

## No requirement for export licenses for certain types of drums and containers

Under the provision of Presidential Proclamation 2413, approved July 2, 1940, the Secretary of State is authorized to issue or deny export licenses covering articles or materials subject to export control, in accordance with specific directives communicated to him by the Administrator of Export Control.

In accordance with directives issued by Brig. Gen. Russell L. Maxwell, Administrator of Export Control, the Department of State March 3 notified all collectors of customs, that, effective immediately and pending further instructions, no export licenses will be required for the export of the following types of drums and containers:

(1) Metal containers of less than five (5) gallons capacity.

(2) Metal drums and containers with capacity of five (5), or more gallons, but less than thirty (30) gallons, except those containing or clearly intended to contain gasoline, lubricating oil, crude oil, fuel oil, diesel oil, gas oil or petroleum jelly (including

petrolatum of low grade to be used as lubricant or to prevent rust).

(3) Metal drums and containers regardless of size containing the following commodities as described in schedule B, "Statistical Classification of Domestic Commodities Exported from the United States, effective January 1, 1939":

Group 00.—Dairy products.

Group 1.—Vegetables and preparations. Fruits and preparations. Sugar and related products. Beverages.

Group 2.—Naval stores, gums and resins, except pine oil. Vegetable dyeing and tanning extracts.

Group 8.—All descriptions, except petroleum jelly (including petrolatum of low grade to be used as lubricant or to prevent rust).

Group 9.—Miscellaneous office supplies.

Licenses are required for the export of all metal drums and containers referred to in Executive Order 8669, issued February 4, other than the three classes specifically exempted above. It should be noted that all of the drums and containers subject to license must contain or be designed to contain liquids, and that those containing or designed to contain exclusively solids or gases do not fall under the licensing requirement.

Utah, Washington, and West Virginia, and such proposals are pending elsewhere.

The legislative program of the Federal-State Conference on Law Enforcement Problems of National Defense is under consideration in many States. Reports available by March 8 showed that measures providing for a State guard has been introduced in 30 legislatures; regulation of explosives, 25; sabotage prevention, 22; fresh pursuit by military forces, 6; and protection of public property, 2 State legislatures.

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### Shoe repairs for the Army

The Quartermaster Corps is studying the problem of shoe repairs, and has established a policy of maintaining repair units at cantonments where commercial shoe repair organizations cannot handle the large volume of repair work necessary to maintain proper footwear for the Army. Workmen employed at these shops will be civilians drawn from Civil Service rolls.

The Quartermaster Corps, in addition, is experimenting with the use of a mobile shoe repair unit at Camp Lee, Va. This unit will have the same equipment as the stationary shops and will be capable of repairing 200 pairs of shoes per day.

### Dental defects major cause for rejection of Selective Service registrants

Dental defects have been the major cause for rejection of Selective Service registrants at the time of physical examination, Col. Leonard G. Rowntree, chief of the Medical Division of National Headquarters, Selective Service System, told the Committee on Preparedness of the American Dental Association at a meeting February 15.

#### Dentist assistants for local boards

Arrangements are being made to have a dentist assigned to assist the examining physicians of every local board.

Records now available show that 17 percent of the rejections by Selective Service medical examiners have been for dental defects, and that 22 percent of the men rejected at Army induction stations have been for the same cause.

#### Dental Advisory Committee

Colonel Rowntree also announced that a Dental Advisory Committee has been set up to cooperate with National Headquarters of the Selective Service System.

# HEALTH AND WELFARE . . .

## Partial summary of facilities needed for Nation's health, welfare, and recreation program, as outlined by Charles P. Taft

Various defense needs such as additional education facilities, adequate sewage disposal systems, milk pasteurization plants, mosquito control in southern areas, hospitals, clinics, and community buildings for soldiers now in Army cantonments and civilians at work in new industrial areas were described to the Committee on Public Buildings and Grounds of the House of Representatives, March 4, by Mr. Charles P. Taft, Assistant Coordinator of Health and Welfare and Related Defense Activities.

Mr. Taft's statement was made at hearings on the community facilities bill, H. R. 3570, which calls for an appropriation of \$150,000,000 to provide "community facilities in those communities where there exists or impends such an acute shortage of such facilities as to impede essential national-defense activities."

Mr. Taft emphasized that the largest possible measure of local and State leadership and cooperation, both in finances and personnel, must be stimulated for the program.

An estimate of costs follows:

called for under S. Res. 324. The study as planned and carried out, however, included all local areas affected by activities of the defense program, not only those "at which housing programs for defense workers are being carried out or are contemplated." It revealed the following:

1. That there is an imperative need in many localities for additional school facilities to accommodate children of personnel connected with projects essential to the national defense program;

2. The school-plant facilities should be programmed and built at the time that family housing facilities are programmed and built;

3. That the numerous local congested situations resulting from activities of the national defense program are in many instances very acute, that they are certain to affect the morale of defense workers and naval and military personnel, and that the immediate school problems they create cannot be solved by local school administrative units or perhaps by these units and the State;

local governmental entities such as local school administrative units; and

6. That equity demands that the Federal Government assume a fair measure of responsibility for providing educational facilities for these children.

A summary of the estimates of needed school facilities as submitted by State departments of education to the United States Office of Education, projected in terms of *public* and *private* family housing facilities being provided and to be provided, anticipates a displacement of approximately 250,000 children of school age. Such a displacement would ordinarily call for:

1. Necessary school buildings and equipment. The estimated cost for sites is \$2,500,000 and for buildings and equipment, \$92,000,000.

2. Needed transportation facilities to transport these children to and from existing schools not within walking distance, as defined by State laws. The estimate is \$2,200,000.

3. The required cost of operating and maintaining facilities referred to in 1 and 2 above, and for the necessary costs of instruction, including teachers' salaries, requires, in terms of estimates submitted by the States, approximately \$18,000,000 for the school year beginning September 1941. *Estimates for school building needs were prepared by the States in terms of available information regarding the permanence or temporality of the family housing facilities being provided and to be provided.*

### COSTS

Project	First year		Operation	Construction
	Operation	Construction		
Water supply.....	(1)	\$15,000,000	\$973,000 <sup>2</sup> .....	\$27,000,000
Sewers.....	(1)	12,000,000	.....	24,000,000
Sewage treatment plants.....	(1)	22,000,000	\$1,528,000 <sup>2</sup> .....	53,000,000
Milk pasteurization plants.....	\$280,000	3,000,000	\$935,000 <sup>2</sup> .....	10,065,000
Mosquito control.....	1,500,000	2,000,000	\$1,500,000 per year.....	5,000,000
Clinics.....	2,800,000	4,200,000	\$2,800,000 per year.....	4,200,000
Hospitals.....	2,200,000	12,500,000	\$3,200,000 per year.....	25,000,000
Total.....	6,780,000	70,700,000	Indeterminate <sup>1</sup> .....	148,265,000

<sup>1</sup> Actual amount will be influenced by income from operation which cannot be predetermined. Annual grants from Federal Government for operation should not exceed 10 million dollars.

<sup>2</sup> Revolving funds.

### School needs in defense areas

In response to requests from the Secretary of the Navy and the Secretary of War to Administrator Paul V. McNutt, of the Federal Security Agency, the United States Office of Education made the study of estimates of needed school facilities as

4. That in areas over which Federal jurisdiction is exclusive, States and local governmental entities such as local school administrative units cannot legally provide such public services as public education;

5. That generally Federal military reservations are not integral parts of

### Health facilities in defense areas

Most of the cantonments and many of the defense industries have been located in open country or adjacent to relatively small cities or villages. Experience has shown that such developments are attended by increases in the civil population equivalent to one-half the military strength and three times the number of industrial workers.

At least 1,500,000 people will migrate to the smaller communities adjacent to military establishments and new defense industries now in process of development.

Among the essential health facilities may be mentioned water supplies, sewerage, milk, pasteurizing plants, major drainage for mosquito control especially

for the prevention of malaria, and hospitals.

The type of population growth associated with defense activities is not likely to be of a permanent character; consequently the development of facilities in these communities is not attractive to private capital.

Because the community situation has arisen from the current defense program which is of national concern, the local communities do not feel that they should assume the entire burden, which in most instances balances the benefits that are derived from the cantonment or defense industry. It is therefore incumbent on the Federal Government to make the initial capital outlay and to provide for the operation of needed facilities until the communities can become sufficiently organized financially and politically to assume their normal responsibilities, Mr. Taft said.

It is proposed that the Federal Government shall hold title during the current national emergency to such facilities as it may construct.

The community alone or the community with the help of the State will be expected to furnish the site or easement, and to the extent of its ability bear a part of the construction costs.

The facilities when completed will be leased on consideration only that such facilities will be operated in accordance with the terms of the lease; except under those unusual circumstances where the Federal Government is to become the operating agency.

*Water supply and sewage facilities.*—Many defense communities are without public water and sewerage facilities, and where existent seldom exceed the normal requirements, Mr. Taft reported.

It is believed that any considerable increase in existing facilities or installations of new facilities should, in most instances, be financed and constructed by the Federal Government. Reimbursement where claimed should be derived from operating revenues. Grants as such are not recommended, although in many cases the financial outlay by the Federal Government will in effect be a grant, since the facilities may not be necessary after termination of the present emergency.

Where existing facilities of an established governmental unit are increased only slightly, this may be done through a loan and the operation can be undertaken by the municipality or district owning such existing facilities without further outlay or responsibility by the Federal Government.

New installations may require operation by the Federal Government until

the emergency has passed or the community has become a legal entity and can take over the operation. Revenues from any individual installation should be available for its maintenance and operation as is the usual procedure with self-sustaining facilities.

It is probable that where facilities are greatly increased or newly installed, some financial assistance from the Federal Government toward maintenance and operation will be necessary for a short period of time.

Of the estimated increase of 1,500,000 in population in the areas under consideration, 1,125,000 will require public water supply and sewage services.

*Milk pasteurization plants.*—Many defense areas have been located where facilities are not available for proper pasteurization of milk. In these areas the United States Public Health Service recommends consideration by the Federal Government of construction and equipment of milk-pasteurization plants, since the uncertainty as to their future need will not warrant investment of private capital.

It is estimated that if this is done provision will have to be made for pasteurization plants in 25 areas to serve a civilian population of 481,000 and a military population of 962,000. It is assumed that milk from these plants would be purchased by the adjacent military authorities and estimates have been made on this basis.

After a period of operation, pasteurization plants should be self-sustaining and if activities continue, self-liquidating.

*Mosquito control.*—It will be necessary in the vicinity of practically all defense areas located in the South to control breeding of malaria-carrying mosquitoes. Cantonments particularly have been located away from thickly populated areas or large communities and hence in areas where little or no malaria control has heretofore been exercised.

For the known areas it is estimated that the cost of ditching will amount to \$5,000,000. Maintenance and other methods of control are estimated at \$1,500,000 per year. For the first year the cost for ditching and control is estimated at \$3,500,000. The funds requested under this act are not intended to supplant the Work Projects Administration work in this field.

*Hospitals and Clinics.*—From the standpoint of medical care, especially hospitalization, the civilian population of defense areas may be considered under two broad categories: (1) The employed or self-sustaining group, who on ac-

count of improved economic conditions in defense areas should constitute a large part of the total population, perhaps 75 percent; (2) the dependent and medically indigent group who cannot meet the costs of major illness.

About one-half of this latter group will be local residents and their care should be a local responsibility. There will remain approximately 190,000 persons who because of residence laws are excluded from such public assistance as the community affords and for these the Federal Government should make necessary provisions.

### Recreation facilities

Altogether there are over 100 places, surrounded by over 200 communities where it is believed some buildings will be needed. Mr. Taft referred especially to the needs at distant points, in Alaska, Hawaii, the Philippines, the Canal Zone, the new island bases, Puerto Rico, and Cuba.

The best estimate is that a maximum of 350 buildings of some type will be needed which the community will be unable to supply.

The national welfare agencies operating in the recreation field have offered their full facilities of personnel and experience well beyond the services already commenced at some locations, and they are ready to begin at once.

The Young Men's Christian Association, the Young Women's Christian Association, the Salvation Army, the Jewish Welfare Board, the Travelers Aid Society, and the National Catholic Community Service have together formed a corporation known as United Service Organizations for National Defense, Inc., to which has been made available information about the communities concerned.

With the approval of the President, the Secretary of War, the Secretary of the Navy, and the Coordinator, a tentative agreement has been reached with USO for the operation of these community buildings, wherever local funds and experienced personnel are not available, effective, of course, only when Congress decides that these funds should be provided for the buildings.

The estimate of the cost of community facilities to be used by the USO and by any other agencies, public or private, under this head is \$15,000,000.

It is hoped that in many cases the community buildings, and schools too, may be designed to furnish space for clinic facilities. The schools may frequently serve for recreation programs.

# CONSUMER DIVISION . . .

## Letter from Commissioner Elliott to Senator O'Mahoney, chairman of the Temporary National Economic Committee, recommends measures to deal with price fixing

Early enactment of measures to deal with price fixing, now under consideration by the Temporary National Economic Committee, was urged March 5 by Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, in a letter to Senator Joseph C. O'Mahoney, chairman of the TNEC.

Miss Elliott also expressed herself as in accord with proposals which would break down certain types of barriers to interstate commerce and others which would permit the Government to proceed against conspiracies to raise the price of goods purchased by governmental agencies.

### Related to civilian welfare

"Because of their direct relationship to civilian welfare under the defense program, I am especially interested in these measures," Miss Elliott said. "Repeal of the Miller-Tydings Act, as proposed by the Department of Justice, would restore the effectiveness of the antitrust laws in dealing with certain types of price-fixing activities which the law now permits."

Miss Elliott said that the proposed statute enabling the Government to proceed against conspiracies to raise the cost of goods and services purchased by the Federal Government is necessary in dealing with emergency situations which are likely to arise under the defense program.

### Text of letter

The complete text of Miss Elliott's letter follows:

MY DEAR SENATOR: I have followed with great interest the testimony and proposals recently presented to your committee, and on behalf of the Consumer Division of the National Defense Advisory Commission I should like to add my support to certain of the recommendations which were made. Because of

their direct relationship to civilian welfare under the defense program, I am especially interested in the proposal to repeal the Miller-Tydings amendment to the Sherman Anti-Trust Act, and in the recommendations designed to break down certain types of barriers to interstate commerce and conspiracies to raise the cost of goods purchased by the Government.

Repeal of the Miller-Tydings Act as proposed by the Department of Justice would restore the effectiveness of the antitrust laws in dealing with certain types of price-fixing activities which the law now permits. The memorandum prepared in the office of the Assistant Attorney General, dated February 10, 1941, setting forth the grounds for repeal of this act, appears to me sound, and I strongly urge that this recommendation be followed.

I favor also the proposal of the Department of Justice that Congress should enact a statute authorizing the Federal Trade Commission to make findings of fact as to whether a designated local ordinance or State statute interferes with interstate commerce, and providing that such findings shall be accepted as prima facie evidence in actions in the Federal courts to enjoin the enforcement of any such statute or ordinance.

The proposal of the Department of Commerce to establish a joint Federal-State committee for the purpose of considering trade barrier problems involving Federal-State relations would supplement the preceding recommendation and appears to be meritorious. There are certain types of State statutes which have a restrictive effect upon interstate commerce and may bring unnecessary price increases in this period of emergency. Their modification is essential to a fuller production and flow of commodities vital to civilian welfare and national defense.

It has also been proposed before your committee that a statute be enacted en-

abling the Government to proceed against conspiracies designed directly or indirectly to raise the cost of goods and services purchased by the Federal Government, the effect of which would be to permit the use of the antitrust laws in cases of national importance not involving interstate commerce. I believe such a law is necessary in dealing with emergency situations which are likely to arise under the defense program.

I urge that the Temporary National Economic Committee approve these recommendations with a view to their early enactment by the Congress into law.

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## Shoe market conditions do not justify predictions of general price rise—statement by Miss Harriet Elliott

Predictions of a general increase in shoe prices in the near future are not justified by shoe-market conditions, Miss Harriet Elliott, consumer commissioner of the National Defense Advisory Commission, declared this week.

Contracts for 1,827,000 pairs of Army service shoes, awarded recently by the Boston Quartermaster Depot, showed a 1 cent per pair decline from the average price paid in December for about the same number of shoes. The December price was too high, according to the Division of Purchases of the Office of Production Management, which confidently expects that it will be lowered substantially on future awards.

These facts indicate, Miss Elliott said, that there is no basis for the claim of some shoe dealers that a forthcoming general rise in shoe prices is evidenced by the December advance in Army shoe prices. "These statements by certain shoe dealers constitute unwarranted 'scare' advertising," Miss Elliott said.

### 7,000,000 pairs of Army shoes

The contracts just awarded complete the Army shoe purchases under appropriations for the current fiscal year. The 7,000,000 pairs purchased under these appropriations made up less than 2 percent of total shoe production in 1940, and only about 7 percent of the total volume of men's work and dress shoes

manufactured last year, according to the Consumer Commissioner.

"Delivery dates are distant enough to permit the Army shoes to be made during the normally slack months which are approaching," Miss Elliott reported. "There is, consequently, no question concerning the possibility of satisfying civilian demand."

### High imports

With respect to raw material supply, Miss Elliott said that unusually large imports of cattle hides, received during the last 2 months of 1940, brought the year's total imports of this important leather raw material to the highest level since 1929.

Stocks of all cattle hides and cattle-hide leathers were larger at the beginning of this year than at the beginning of 1940.

Export control, already applicable to cattle hides, was extended last month to calf and kid skins. Sole and belting leather go under export control on March 10.

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## Placing of educational orders for a limited quantity of low-cost civilian gas masks

The War Department announced March 3 that the Chemical Warfare Service of the Army has placed orders with five different commercial establishments for manufacture of a limited quantity of low-cost gas masks known as "noncombatant masks."

This type of mask was designed to meet the requirements of a military commander in providing gas masks for noncombatants remaining in areas under military jurisdiction and control. The noncombatant gas mask, however, is of a type which the War Department believes would be suitable for general civilian use.

The mask provides protection against all known war gases in the same manner as does the service gas mask issued the troops, but is not designed for the long life and rugged use of the service gas mask. The Educational Orders for noncombatant gas masks were made for the purpose of providing a limited quantity of noncombatant type masks and also by way of developing sources of supply for these masks should they be required in any considerable number. At the present time, no further extension of the manufacturing facilities for these masks is contemplated.

## Broadcasts of market news for consumers initiated in a number of cities

Local market news broadcasts for consumers, recommended by the Consumer Division to help guide consumer buying, have been initiated in a number of cities, reports Miss Harriet Elliott, consumer commissioner.

These broadcasts tell household buyers which food products are plentiful and good buys, and provide other information of assistance to consumers.

The programs are prepared by market and food experts of governmental agencies. They are broadcast from three to five times a week for 5-minute periods over local radio stations. Since the news carried relates primarily to local markets, only local coverage is sought.

### 5-minute programs

The programs consist of a 2-minute flash of consumer information from a national viewpoint, and 3 minutes of local market news furnished by the local representative of the United States Department of Agriculture's Agricultural Marketing Service.

State Departments of Agriculture, and the Bureau of Home Economics and Consumers' Counsel Division of the United States Department of Agriculture are cooperating with the Consumer Division of the Defense Commission and the Agricultural Marketing Service in promoting this type of service.

The local food market news consists largely of information on the supply, quality, and price trends of such commodities as fresh fruits and vegetables, poultry, and dairy products, since these show substantial variation from day to day.

### Price trends

Wholesale and retail prices and specific brands and stores are not mentioned, but price trends and the comparative price—"high," "low," "moderate"—are included.

Programs of this kind are now being carried as a public service by the following stations: WIP, Philadelphia; WFBR, Baltimore; WSAI, Cincinnati; WHK, Cleveland; WHB, Kansas City; KOCY, Oklahoma City; and WJJD, Chicago.

In addition, the following stations carry the programs on a modified basis: WAAB, Boston, and eight stations of the Colonial Network, through the New England Radio News Service; WBZ, Boston;

and WBZA, Springfield. The Bureau of Consumers' Service of the New York City Department of Markets pioneered in this type of program and is rendering a regular market news service.

### Food trade cooperation

In Chicago, the program has been meeting with particularly enthusiastic response. The Market Service Association, representing Chicago's wholesale fresh fruit and vegetable trade, has distributed 10,000 posters and 75,000 postcards calling attention to the broadcast.

At the present time, effective local market news broadcasts of this kind are for the most part limited to cities which have Agricultural Marketing Service representatives. Plans are now under way to include an additional 20 cities during the next 3 months.

Besides consumer market news broadcasts, consumer forums are being broadcast in a number of cities. These are designed to discuss consumer problems and to further consumer education. The program of WJSV in Washington, D. C., is of this type.

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## Initial tests scheduled by Bureau of Mines on magnesium metal

The Bureau of Mines on March 5 reported to Secretary of the Interior Harold L. Ickes that it is ready to proceed with initial tests of a special process it is developing for the production of magnesium metal, vital defense material. The tests will take place at a small pilot plant just completed by the Bureau at Pullman, Wash., Dr. R. R. Sayers, director, said.

No commercial plant in the United States utilizes such a process, which involves the direct production of magnesium from magnesite, and only three other plants in the world are reported to employ a method similar to that being developed by the Bureau.

If the operations at the Bureau's small pilot plant, which is designed to produce from 50 to 100 pounds of the metal daily by the electrothermic method, are successful, sufficient data may be made available to determine the feasibility of production on a larger or commercial scale.

# HOUSING . . .

## Number of dwelling units for which public funds have been allocated is now 72,251; additional 1,704 units placed construction contract; 200 available for occupancy

The number of dwelling units for which public funds have been allocated under the coordinated national defense housing program rose to 72,251 in the week ending March 1, it is reported by C. F. Palmer, defense housing coordinator.

The increase resulted from approval by the President of the construction of 3,639 homes in 27 areas.

The coordinator reported that an additional 1,704 units had been placed under construction contract during the week, and 200 units were made available for occupancy.

Of the total number of units for which funds have now been allocated, he said, 46,531 were for the families of civilian workers and 25,720 for the married enlisted personnel.

Summary of activities of various governmental agencies participating in the defense housing program as of last week shows:

### Federal Works Agency

Following the President's approval of the new recommendations by the housing coordinator, Federal Works Administrator John M. Carmody announced construction assignments for 19 defense housing projects with a total of 3,434 units to be built under the Lanham Act.

Included in the assignments was 1 project for the Farm Security Administration, 13 for the Public Buildings Administration, and 5 for the United States Housing Authority. The Public Buildings Administration was scheduled to produce living accommodations in Riverside, San Francisco, San Miguel-Paso Robles, all in California; Valpariso, Fla.; Louisville, Ky.; Alexandria, Leesville, and Shreveport, La.; Muskegon, Mich.; Waynesville-Rolla, Mo.; Great Bend and Sidney, N. Y.; and Carlisle, Pa.

The United States Housing Authority was delegated to handle projects in Alameda, Calif.; Jacksonville and Miami, Fla.; Wilmington, N. C.; and Harrisburg,

Pa., and the Farm Security Administration at Pulaski, Va.

The Federal Works Agency reported that as of March 1, it had 21,715 dwelling units under contract with a total estimated construction cost of \$69,237,964.

### United States Housing Authority

The United States Housing Authority reported that on March 15, families of defense workers would move into the eighth defense housing project to be opened by the USHA during the present emergency.

The latest project completed is Marshall Courts at Newport News, Va.; and will be for the families of workers in the Newport News Ship-Building and Drydock Co. The development will house 352 families. USHA defense projects have already been opened at Montgomery, Ala.; Pensacola, Fla.; Columbus, Ga.; Corpus Christi, Tex.; East Moline, Ill.; Portsmouth, Va.; and Mare Island, Calif.

### Federal Housing Administration

FHA Administrator Abner H. Ferguson reported that almost \$100,000,000 of small home mortgage insurance applications were received during the short month of February. He reported that the available weekly figure covering new homes started under FHA inspection during February was 2,413—compared with 2,397 in January and 2,035 in February, 1940.

### STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION MARCH 1, 1941

	Funds allocated	Contracts	Completed
Number of States and Territories.....	46	37	11
Number of localities.....	132	86	15
Number of projects.....	253	132	16
Number of family dwelling units.....	72,251	38,740	2,515
Civilian industrial workers.....	36,792	15,622	965
Other civilians:			
Employees of Army and Navy.....	9,739	5,388	724
Married enlisted personnel.....	25,720	17,730	826

### PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

	Week ended March 1, 1941	Previous week
New homes started.....	2,431	2,287
New home mortgages selected for appraisal.....	4,539	4,827

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## Statement of racial policy in the provision of shelter for families of defense workers

A statement of racial policy in the provision of shelter for the families of workers in defense industries and the enlisted personnel has been issued by C. F. Palmer, defense housing coordinator.

In a memorandum which has been made public, Mr. Palmer said:

The racial policy adopted in the defense housing program will have an important effect upon the Nation's total defense productivity. World War records reveal the great military and industrial contribution made by the Negro. World War experiences and the affirmed intentions of the Office of Production Management indicate that Negro workers will constitute an ever increasing factor in defense production. To assure equitable and adequate housing facilities to eligible Negro personnel and industrial defense workers, the following policies are hereby adopted by the Division of Defense Housing Coordination:

1.—To include the housing needs of the Negro in the Defense Housing Program by making equitable provisions for his housing requirements in accordance with the purposes, scope, and objectives of this agency.

2.—It shall be the responsibility of regional coordinators to ascertain from labor surveys and other sources, the racial composition of workers now engaged, or to be employed in defense industries.

3.—In making analyses of the housing needs of a community or locality, full consideration shall be given to the adequacy of housing facilities available to Negro defense workers.

4.—Subject to the determination of the needs, housing will be provided for the families of Negro industrial workers, families of eligible military personnel, and those of civilian workers in military establishments.

5.—Locality program reports shall specify the housing required for Negro occupancy, if there is evidence of need in the locality under consideration.

(a) If, for any reason, the extent of the need appears indefinite, then at least a statement that a need exists shall be made. This statement may include an estimate of the need.



# AGRICULTURE . . .

## Commissioner Davis makes address as North American Bomber Plant breaks ground for construction in Kansas City

A proper balance between agriculture and industry must be achieved if the United States is to have a sound economic basis, Chester C. Davis, agricultural commissioner of the National Defense Advisory Commission, said at the ground-breaking ceremony for the construction of the North American Aviation Bomber Plant at Kansas City, Mo., March 8.

Calling on industry and agriculture to unite in development of the Midwest empire, Mr. Davis pointed out that diversification of agriculture was not enough.

"For generations agricultural leaders have urged upon farmers the advantages of well-diversified and well-balanced systems of agriculture," he said. "But diversification of agriculture is but one step along the way. The full route is diversification of the economy—a diversification which encompasses both agriculture and industry. A full balance is only achieved when the community has alternative sources of both agricultural and industrial income."

### Modern army dependent on modern industry

Mr. Davis emphasized the fact that in this world only the industrial country can survive the path of modern aggression. He said:

"The industry of a country has become the clue of its survival in the modern anarchy of power politics. When once we talked of strong or weak armies, we now talk of strong or weak industry. The modern army has become only the antenna of the shops and factories which lie back of it. A year and a half ago the farms and fields of Poland fell within a few days before the Germany industrial might. France fell before the greater and better organized industrial power of the Reich. During recent months the agricultural countries of the Balkans have been helpless pawns in German hands. The Italian Army, Navy, and air force collapsed before the superior technical equipment of the British—an equipment which came from a better organized, better manned, and more efficient industry."

Although many parts of our industrial plant have been operating in low gear in

recent years, Mr. Davis said that we have the basic industrial fiber for a strong defense.

"Partly as a result of this, we have not maintained the normal rate of expansion in steel, power, railway equipment, and the like. The production of some of our commodities—aluminum and magnesium for example—has been too closely monopolized and production selfishly repressed. But, in terms of our basic industrial equipment the people of the United States are fortunate. Our industry was built for peace rather than for war but fate has played into our hands. We can create an Army more rapidly than we could create a steel industry or a motor industry. This gives us a good head start."

### Peacetime industries converted to defense

But a strong industry is only the first step in the strategy of modern war and modern defense, he warned. While steel mills, truck and tractor factories, and a progressive chemical industry are important, the countries of the Old World have always had something more—in addition to their basic industrial equipment they have a great industry for converting the products of peacetime industry into the actual munitions for war.

"We have never had in the United States the equivalent of the Krupp Works in Germany—a vast concern which in peace and war devoted itself to producing the engines of destruction," Mr. Davis pointed out. "We have not had the equivalent of the Skoda Works in Czechoslovakia or of Vickers in England. We have had industry but we have not had an armaments industry. It was necessary for us in a few short months to build ourselves 'Krupp' and 'Skoda'."

"It is not possible to overestimate the magnitude of this undertaking. A year ago we did not produce enough smokeless powder to last a modern army more than a few weeks. You have heard of hundreds and thousands of tons of bombs being dropped in the course of a week. We had no industry for producing such explosives in vast quantity in the United

States. Now three TNT plants are under way. We needed an industry to produce tanks, another one to manufacture shell cases, and another to manufacture small arms ammunition. These are also under way. We needed, above all, an industry to produce military aircraft. A year ago our airplane industry was on a peacetime basis. We produced only a few military aircraft, many of them of unproven quality. American transport planes were used in commercial airlines all over the world and the transport is easily converted to a bomber. But even this part of our industry was a small-scale, hand-tooled affair.

"The task of the past year has been the creating of an armament industry. Most of us have experienced a twinge of regret that this vast program of industrial expansion should be for the production of munitions of war rather than the good things of life. But even from such a sad and critical period there are some peaceful benefits which can be salvaged."

Some of the defense industries will be permanent, Mr. Davis said. Sites chosen during the defense program will mark out the areas of permanent industrial growth. Some of the industries will not survive the period of rearmament and defense production. But even these will leave behind them skilled workers, trained management, power reserves, and even vacated plant and equipment which will be a rich attraction to new peacetime industries.

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## Dried egg production can be increased, Agricultural division reports

Advantages of increased shipments of dried eggs to England or other European countries were emphasized in the report of the poultry committee recently submitted to the food supply section of the agricultural division of the National Defense Commission.

W. D. Termohlen, chairman of the poultry committee, pointed out that dried eggs do not require refrigeration and that a tremendous saving in shipping space results. He said that while a 30-dozen case of shell eggs packed for export weighs about 60 pounds, the eggs alone weighing 45 pounds, the same number of

(Continued on page 16)

# TRANSPORTATION . . .

## Estimated 1942 railroad traffic will be three-fourths as much as 1929, and total traffic largest ever handled—Mr. Budd reports

Indications of an increase of 9.4 percent in total carloadings in 1941 as compared with 1940, and an increase of 16.9 percent in 1942 as compared with 1940, have been forecast by Ralph Budd, transportation Commissioner of the National Defense Advisory Commission.

The total increase in carloadings for 1941 is estimated at 3,426,628, an average weekly increase of 65,900 cars above 1940. Loadings in 1942 are estimated to exceed 1940 by 6,140,373 carloads, an average weekly increase of 118,100. The railroad traffic in 1942 should be about three-fourths as much as it was in 1929, although the total traffic of the country would probably be the largest ever handled.

Basic figures for commodities affecting 60 percent of all railroad carloadings were furnished by the Commission's Bureau of Research and Statistics. Their estimates were translated into carload equivalents by the Association of American Railroads, which also estimated other commodities based on the Bureau's study. This overall estimate covers defense and civilian requirements in United States and British purchases.

### Estimated increase in loadings of specific items

Bituminous coal loadings are expected to increase 690,931 cars in 1941 compared to 1940, or 12.4 percent. In 1942 bituminous coal is expected to show an increase of 1,465,422, or 26.3 percent.

Iron ore loadings in 1941 may exceed 1940 by 535,849, or 30.1 percent. In 1942, they are estimated at an increase of 902,577 over 1940, or 50.7 percent.

Lumber, shingles, and lath are expected to increase 125,142 cars, or 18.2 percent in 1941, and 198,028 cars, or 28.8 percent in 1942.

Refined oils and gasoline are estimated to increase 88,175 cars, or 7.2 percent in 1941, and 173,901, or 14.2 percent in 1942.

Iron and steel shipments of all kinds are expected to increase 326,440 cars in 1941, or 30 percent over 1940. In 1942, estimated increase over 1940 is 524,589, or approximately 48.5 percent.

Cement loadings for 1941 show prospective increase of 115,501 cars, or 22.3 percent; in 1942, 182,324 cars, or 35.2 percent.

Automobiles, trucks, and parts, including tires, show estimated increase in 1941 of 204,270 cars, or 31.7 percent. In 1942, the estimated increase is 330,217 cars, or 51.2 percent.

Scrap iron and scrap-steel loadings in 1941 show estimated increase of 79,141 cars, or 26.6 percent, and in 1942, 128,827 cars, or 43.3 percent.

Because of inherent difficulties in any attempt at long-range forecasting, these estimates undoubtedly will be revised from time to time to give effect to changes as they occur.

In commenting upon these estimated carloadings, Mr. Budd stated in a recent address:

Those most familiar with the capacity of our transportation facilities are satisfied that the increased traffic, as indicated by the forecasts for 1941 and 1942, can be handled without congestion or delay. I agree with them for it certainly appeals to railway men more as a promise than as a threat, to be told that they will have to handle about three-fourths as much traffic in 1941 as they handled in 1929. The capacity of highway trucks, pipe lines, and water carriers is larger than ever before, and increasing. Together they would carry perhaps a third of the total load including defense; that is, about half as much as the railways would carry.

It has been suggested that because there are less cars and locomotives now than there were in 1929, and because the average age of equipment is older, that their carrying capacity must be less. No mathematical formula exists which can be used either to prove or disprove this conclusion. The railway rehabilitation and betterment program which has been carried out since 1923 has cost \$9,500,000,000. New cars and locomotives have larger capacity than those which they replaced—in the case of locomotives, as much as 3 to 1.

Those who are directly in charge of and responsible for providing transportation feel sure that the plants and personnel can be kept ready and able to meet the future requirements as they arise. Obviously, it is important to do this without unduly increasing the plant, because the direct defense

efforts would suffer if the output of mines, mills, and factories were diverted from munitions to transport units beyond the amount necessary.

Successful handling of the Nation's traffic requires prompt release of cars at destination. It is elemental that cars cannot be used for warehouse purposes without crippling transportation. Failure to unload them on arrival was the chief cause of congestion and delay during the World War. With that experience as a warning and guide it seems reasonable to assume that the difficulties it led to will be avoided. No other single thing is so important in this connection as to make certain that cars are not loaded until provision has been made for unloading them promptly.

## Eggs . . .

(Continued from page 15)

eggs in dried form weighs only 9.8 pounds. Allowing for packing of the dried whole eggs in dried form weighs only 9.8 pounds per case.

Although in the past a substantial quantity of dried eggs for domestic consumption has come from China, it is estimated that domestic production could be increased to about 12 million pounds a season. Domestic drying plants are capable of taking care of domestic requirements and without great difficulty they could be expanded to meet additional demands, the report of the poultry committee stated. Also, domestic canned chicken, canned turkey, and canned chicken and turkey soup could be made available for export if demanded.

### Britain's egg supply cut

George Livingston, chief of the food supply section, said that the United Kingdom normally imports about 75 percent of her shell-egg requirements from Denmark, the Netherlands, Finland, Sweden, Norway, Lithuania, Estonia, Poland, and Rumania.

"It appears reasonable to assume that no eggs are now being received by England from these countries," he said. "We also understand that egg production has been cut materially since the outbreak of the war in 1939. Nutrition specialists recommend that one egg be included in the meals of each person every day. From the best data available it appears probable that even before the war the English people had less than half an egg a day and probably nearer one-third of an egg. They are getting far less than the requirements for even a moderately good diet. Dietary conditions probably are even worse in some of the occupied countries and Spain."

# DEFENSE

★ OFFICIAL BULLETIN  
★ of the NATIONAL DEFENSE  
★ ADVISORY COMMISSION  
★ Washington, D. C. Issued Weekly  
★ MAR. 18, 1941 • VOL. 2, NO. 11

## DEFENSE AGENCY REORGANIZATION

William H. McReynolds, liaison officer for Emergency Management and one of the President's administrative assistants, announced an administrative reorganization of the defense agencies whereby the following "are established in or coordinated through the Office for Emergency Management":

The OPM, the Division of Defense Housing Coordination, Division of State and Local Cooperation, Office for Coordination of Commercial and Cultural Relations Between the American Republics, National Defense Research Committee, Defense Communications Board and the Labor, Agriculture, Price Stabilization, Transportation, Information, and Consumer Protection Divisions of the National Defense Advisory Commission.

To maintain a central budgeting, accounting, and fiscal-control system for the OEM and handle personnel and general office services, Mr. McReynolds established a division of central administrative services, under the direction of Sidney Sherwood. Mr. McReynolds said the Division of Information, under the direction of Robert W. Horton, would provide "central informational services to the several offices and divisions."

## Vocational training—stabilization of shipbuilding industry—emphasized by Mr. Hillman at press conference

Following are remarks from the press conference, March 13, of Sidney Hillman, Associate Director General, Office of Production Management:

The training of workers for defense jobs is now moving full speed ahead. In this respect, we are getting splendid cooperation from all Government agencies—from the United States Employment Service, for example; from the Federal Committee on Apprenticeship, and from the vocational schools. In our training-within-industry program especially, we are getting an even greater amount of cooperation between labor and management.

It is rather remarkable to me that, although 9 months ago when I came to Washington, there was a general cry about bottlenecks, today I hear less—a good deal less—about this problem. I think it is fair to say that, so far as the actual training programs are concerned, we are, if not a step ahead, at least *in step* with requirements as they arise day by day.

Vocational training schools in every part of the country are doing a particularly splendid job in conducting their refresher courses in which skills grown rusty are polished up, and for which 375,000 people have been enrolled since July 1940. Moreover, in Baltimore, Md., Paterson, N. J., San Diego, Calif., and Williamsport, Pa.—which are typical of many other communities in the country—more than 80 percent of those who have received refresher training courses have been placed in jobs. That really exceeds our highest expectations.

At the same time, as you know, the National Youth Administration is using a great number of its facilities for training young people. At the moment there are about 125,000 youths who get training which prepares them for work in defense

industry. In addition, some 65,000 people are enrolled in 119 engineering colleges, taking special engineering courses which will fit them for technical, managerial, and supervisory positions. At the beginning of the defense program, of course, we were very much worried that the most dangerous kind of bottleneck would result from a lack of skilled workers and supervisory personnel. We found that this latter problem—namely, that of developing adequate supervisory personnel—deserved more and more of our attention. Hence, with the cooperation of Dr. Studebaker in the Office of Education and Mr. McNutt of the Social Security Board, we had several conferences with the heads of leading engineering institutions throughout the Nation to design courses for people who had had experience in the engineering field but who, during the depression, had gone into other employment. Now we expect that as a result of this undertaking a great deal of new technical and engineering talent will soon be made available to quicken the defense program.

### On-the-job training

Of course, we all realize that the most effective kind of training is that done right in the plant—right on the job. We therefore established our training-within-industry program under the direction of Mr. Channing R. Dooley, whom we borrowed from Socony-Vacuum, and Mr. Walter Dietz, who was loaned to us by Western Electric Co. Under their supervision, in 22 offices in the chief industrial centers throughout the country, this on-the-job-training is making remarkable progress. We have, as you know, the very best personnel authorities—some 350 of them in fact—who are supervising

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# DEFENSE

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NELSON ROCKEFELLER, *Coordinator of Commercial and Cultural Relations Between the American Republics.*

## New general counsel for Mr. Rockefeller's office

Nelson A. Rockefeller, coordinator of commercial and cultural relations between the American Republics, on March 8 announced the appointment of John Edwards Lockwood as general counsel. Mr. Lockwood succeeds Mr. Carl B. Spaeth, who will assume the duties of Assistant Coordinator.

# EXPORT CONTROL . . .

## Aviation lubricating oil and motor fuel to British Empire under unlimited licenses

In accordance with directives issued by Brig. Gen. Russel L. Maxwell, administrator of export control, the department of State has notified all collectors of customs that unlimited licenses have been issued permitting the exportation of aviation motor fuel and aviation lubricating oil to various countries of the British Empire.

These licenses have been issued to the British Purchasing Commission. An exporter wishing to ship either product to any destination on the following list, needs but to obtain the permission of the British Purchasing Commission to use the unlimited license number. This number is placed on the export declaration and the shipment may be made without the necessity of obtaining an individual license.

	Aviation motor fuel	Aviation lubricating oil
Australia.....	EB 1661	ED 4448
New Zealand.....	1662	4449
Newfoundland.....	1663	4450
Union of South Africa.....	1664	4451
Burma.....	1665	4452
India.....	1666	4453
Palestine.....	1667	4454
Tanganyika Territory.....	1668	4455
Aden.....	1669	4456
Leeward Islands.....	1670	4457
Windward Islands.....	1671	4458
Bahamas.....	1672	4459
Barbados.....	1673	4460
Bermuda.....	1674	4461
Jamaica.....	1675	4462
Trinidad.....	1676	4463
Gold Coast.....	1677	4464
Nigeria.....	1678	4465
Sierra Leone.....	1679	4466
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## Ten additional export products under general licenses—for Canada, Great Britain, Northern Ireland

In accordance with directives issued by Brig. Gen. Russell L. Maxwell, Administrator of Export Control, the Department of State on March 10 notified all collectors of customs that general licenses, in accordance with the provisions

of Executive Order 8640, have been issued permitting the exportation to Canada, Great Britain, and Northern Ireland of ten additional articles and materials.

Under the provisions of Presidential Proclamation 2413, approved July 2, 1940, the Secretary of State is authorized to issue or deny export licenses, covering articles or materials subject to export control, in accordance with specific directives communicated to him by the Administrator of Export Control.

Collectors of customs, under instructions March 10, are authorized to permit any exporter, without the requirement of an individual license, to export to Canada, Great Britain, and Northern Ireland any of the licensable articles and materials on the following list:

Licensable products	Canada	Great Britain and Northern Ireland
Beryllium.....	GBQ1	GBQ2
Graphite electrodes.....	GBR1	GBR2
Cadmium.....	GCM1	GCM2
Carbon black.....	GCQ1	GCQ2
Petroleum coke.....	GCP1	GCP2
June 1.....	GCT1	GCT2
Lead 1.....	GCU1	GCU2
Borax 1.....	GCW1	GCW2
Phosphates 1.....	G CX1	G CX2
Pine oil.....	GEP1	GEP2
Glycerin.....	GCS1	GCS2
Cresylic acid and cresols.....	GCR1	GCR2

<sup>1</sup> The proclamation covering these articles and materials becomes effective March 24, 1941.



## Defense radio broadcasts

A series of Nation-wide radio programs entitled "Jobs in Defense," produced in cooperation with the Office of Production Management, will be broadcast over the Columbia Broadcasting System at 12:45 to 1 p. m. E. S. T.

This series is aimed at explaining the importance of labor registration and the defense labor training program—both "on-the-job" and in the Nation's vocational schools.

The following leaders in industry and labor, together with OPM officials, will appear: March 22—Mr. Paul V. McNutt, Mr. Arthur J. Altmeyer; March 29—Mr. Ralph E. Flanders; April 26—Mr. John M. Carmody; May 17—Mr. Morris L. Cooke, Dr. Isador Lubin.

The first program of the series was broadcast March 15.

# LABOR DIVISION . . .

## Mr. Hillman

(Continued from page 1)

this training-within-industry program in the field. They are assisted by panels of labor advisers and industrial advisers who jointly develop the kind of program best adapted to the needs of a particular plant. A valuable byproduct, of course, in this training-within-industry program is that labor and management groups are getting together in a spirit of closer cooperation.

### Shipbuilding labor

Simultaneously, we are making considerable progress in our stabilization work for shipbuilding. We have proposed several conferences in various zones for the purpose of bringing stability to the shipbuilding industry—to establish effective machinery for adjusting points at issue between management and labor so that, in our tremendous shipbuilding program, the country can be insured as much as possible against work stoppages and undue migration of labor from yard to yard, and the like. We have just announced that within the next 2 weeks conferences will be held on the Gulf coast and along the Atlantic seaboard.

I think that is about all, gentlemen, unless you have some questions to ask.

Q. In connection with shipbuilding, Mr. Hillman, have you done anything about mobilizing shipbuilding workers along the Great Lakes?

A. We are giving it consideration.

Q. But there are no zone conferences scheduled?

A. No. However, zones are not yet frozen. At the present time we are centering our attention on the Pacific coast, where a conference is now going on.

Q. I understand that Bethlehem Shipbuilding is refusing to take part in the west coast conference. Is that true?

A. No; my information is that they have definitely agreed to accept any decision of that conference as binding upon them.

Q. Mr. Hillman, it was reported that Admiral Land and Navy Secretary Knox sent a telegram to the owners of each shipyard in the country ordering them not to raise or lower wages until these conferences have been carried out.

A. I think that has been misunderstood. There was no intention of freezing anything. There was nothing in that letter, as far as I know, that could

be interpreted as freezing wages at all. We told them that we wanted, as much as possible, to hold things where they were while the stabilization negotiations are going on.

Q. What were they supposed to keep in the situation?

A. Well, we are discussing some of these fundamental things. We were anxious that unions and employers not make agreements that might interfere one way or the other with the Shipbuilding Stabilization Committee's progress. It was not intended as a prohibition. Some changes that were necessary have been made. The guide was to use common sense. We are all engaged in an effort to stabilize conditions for the industry as a whole. Those matters that are not compelling should be left aside until we get over the first hurdles.

Q. Was the idea to keep the temporary status quo until they ironed out the whole situation?

A. I wouldn't say the status quo. In some instances, some shipbuilding companies had been carrying on negotiations and we told them to go ahead and complete their negotiations. There was no intention of stopping them.

Q. Is there a general wage demand? Is there a demand for a general wage increase on the west coast? Is that an issue involved in the situation?

A. I couldn't report details to you at this time. All I had was about an hour's discussion on broad questions of policy with the Committee, but I have my personal representative, Dr. Lubin, there to report to me if something of importance arises that needs my attention.

### Strike situation not serious

Q. How is the strike situation now, Mr. Hillman?

A. Well, from the front-page standpoint, I think it is very serious. I think, generally, we here still believe that the situation is in very good control. While we have more stoppages than I personally would like to see at this time, it is fair to say that the defense program has not been seriously interfered with.

Q. Do you feel any need, Mr. Hillman, for a compulsory waiting period before striking?

A. I have stated my position before the House Judiciary Committee. I have no reason to go back on that statement.

### Allis-Chalmers strike

Q. Mr. Hillman, when the negotiators for Allis Chalmers left here Saturday, you said you couldn't promise any early return to work and later left it up in the air as to what would happen next. Since then, there have been various stories printed that the Allis Chalmers plant may be taken over by the Government. Is there anything you can talk about along that line?

A. I prefer not to go into details about the Allis-Chalmers situation until the matter is closed up. Dr. Steelman is there today, as I understand it from the papers, so I am not disclosing any secrets—otherwise I'd tell you off the record. I think it is a rather interesting story and it may help us in future situations with some of the angles involved. As far as OPM activities—it is all a matter of public record—I have given my testimony before the Sumners committee. It is unfortunate that the people are not back to work yet but I am not here placing the responsibility on anybody. The record is that the workers have voted to go to work, I think, last Monday, a week ago. I have asked the representatives of the International Union of the UAW of the CIO to go out in person and submit our proposals to the workers on strike. Their official representative of the CIO went out there to show that they carry through their obligation given here in good faith, not merely to submit the proposals, but to recommend and urge adoption. My information is that in spite of the opposition of some local people at that meeting it was overwhelmingly adopted.

Q. Do you know if Mr. Babb of Allis-Chalmers is the same Mr. Babb who is a contributor to the America First Committee? Mr. Max Babb, isn't it?

A. I couldn't say whether it is the same name or not.

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## Register at once—Mr. Hillman urges workers

Sidney Hillman, associate director general, OPM, on March 15 issued a statement to American workers asking that they cooperate in a special Nation-wide registration of all workers available for defense jobs. His statement follows:

"In the next few months hundreds of

thousands more of you will be needed to speed the national defense program in shops, factories, shipyards—to build new plants for industry, shelter for civilian defense workers, camps for soldiers.

"To meet these new defense demands, the Office of Production Management has asked the United States Employment Service to conduct a special Nation-wide registration of all workers available for defense jobs. This registration will begin on March 15 at all local offices of every State Employment Service in the country.

"The Office of Production Management has also asked all defense employers to cooperate with this national effort by using the 1,500 local public employment offices in hiring new employees.

"If you are out of work and looking for a job, register at once at the nearest local employment office.

"If you have a skill useful for defense work but which you are not using in your present job, register at once at the nearest local employment office. Typical of the many different skills now urgently required by defense industry are the following:

*Aircraft manufacturing*—including airplane sheet metal workers, airplane woodworkers and inspectors, and aeronautical engineers;

*Shipbuilding*—including ship carpenters, loftsmen, boatbuilders, shipfitters, caulkers, and marine machinists;

*Machine shops and machinery manufacturing*—including machinists, tool makers, lathe operators, boring mill operators, tool and die designers.

"The Employment Service does not encourage or desire registration of workers who are already employed in any of the above industries. This registration is voluntary. It is the democratic way. Its success depends upon you. I am confident that each one of you will consider it his personal and patriotic duty to see to it that this registration does succeed."

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## Appointment of Rolland D. Severy to Labor Division

Sidney Hillman, Associate Director General of the Office of Production Management, on March 15 announced the appointment of Rolland D. Severy, formerly of the Civil Service Assembly, as his administrative assistant in charge of personnel, budget and office services for the Labor Division.

## National campaign to prevent labor shortages in defense industries

The United States Employment Service of the Social Security Board and its affiliated State employment services are making intensive efforts this month to obtain the registration of all workers who may be available for work or training in occupations needed in rapidly expanding defense industries.

The drive, which will be carried on by the 1,500 local State employment offices scattered throughout the country, is directed at people in these two categories: (1) Those who are unemployed, but capable of holding jobs; (2) those who have skills in the following kinds of work needed for defense, but who are now employed on jobs where those skills are not being used—

*Aircraft manufacturing*, including airplane sheet metal workers, airplane woodworkers, and inspectors.

*Aeronautical engineering*.

*Shipbuilding*, including ship carpenters, loftsmen, boatbuilders, ship-fitters, caulkers, and marine machinists.

*Machine shops and machinery manufacturing*, including machinists, tool makers, lathe operators, die makers, and tool designers.

### Factors affecting labor supply

According to the United States Employment Service, there are already indications of impending labor shortages in these occupations. Other factors making the registration campaign necessary include the growing necessity for recruiting trainees who would normally provide a future supply of skilled labor. In addition, some communities which were previously nonindustrial, have received defense contracts and in some instances it will be necessary to recruit workers for these areas. Fear has also been expressed that farm workers will be drawn into the cities in such numbers that some local shortages may occur when peak agricultural seasons are reached. Finally, it is estimated that approximately 600,000 men will leave civilian life for service under the Selective Service Act before the first of July. Their places in industry must be filled to prevent delays in defense production.

### Cooperation of State and local leaders needed

It is hoped that the national registration of workers will be completed by April

15. Immediately following the registration, the Social Security Board's Bureau of Employment Security will make an exhaustive analysis of the results.

In this campaign to prevent labor shortages, to prevent needless migration of workers from one place to another, and to make sure that jobs will be filled quickly as they open up, the United States Employment Service urges the active cooperation of Governors, heads of State Defense Councils, mayors, and other State and local leaders.

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### FOR DEFENSE EMPLOYERS

The Office of Production Management March 12 issued a leaflet outlining for defense employers the services available through the United States Employment Service, the "Training Within Industry" Section of the Labor Division, National Defense Advisory Commission, the United States Office of Education, and the Federal Committee on Apprenticeship.

The publication is entitled, *Defense Employers—How You Can Get Workers For Your Plants*.

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## Appointment of special assistant on labor problems

Sidney Hillman, Associate Director-General, Office of Production Management, on March 12 announced the appointment of Eli Oliver, formerly executive director of the American Labor Party in New York State, as a special assistant on labor problems. Mr. Oliver, who was executive vice president of Labor's Non-Partisan League from 1937 until June 1940, will assist Mr. Hillman's staff of labor relations consultants.

In addition to his experience in labor relations, Mr. Oliver has served as an economist and as an industrial engineer. A graduate of the University of Minnesota, he taught industrial relations and management at the Wharton School of Commerce and Finance at the University of Pennsylvania.

He has also worked for the Federal



Government in many capacities, serving as a member of the staff of the Federal Trade Commission investigating the dairy industry in the West Central States, and as the representative of the textile workers union on the Textile Work Assignment Board.

For 2 years, Mr. Oliver represented several of the railroad unions in national wage cases before the Railway Labor Board. He held the post of research director of the Brotherhood of Railway Clerks for the 8 years preceding his connection with Labor's Non-Partisan League.

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## **Additional 20,000,000 pounds of aluminum will raise Bonneville-Grand Coulee output to 210,000,000 pounds annually**

Secretary of the Interior Harold L. Ickes announced March 10 the signing of a second contract with the Reynolds Metals Co. for delivery of an additional block of 20,000 kilowatts of Bonneville-Grand Coulee power to that concern.

The new contract, which is for a 20-year period, is in addition to one signed with the Reynolds Metals Co. on February 24, under which the Bonneville Power Administration agreed to deliver 40,000 kilowatts of power for aluminum manufacture.

The Reynolds Co. will use the additional block of 20,000 kilowatts to increase the production of pig aluminum in their projected plant from the originally announced 40,000,000 pounds annually to 60,000,000 pounds annually.

### **Federal power pays Nation dividends**

The 50 percent expansion of the capacity of the Reynolds Metals Co. plant increases the amount of critically needed aluminum to be produced with Columbia River power from the Bonneville-Grand Coulee system to 210,000,000 pounds annually. Of this amount, 150,000,000 pounds will be produced by the Aluminum Co. of America, which has erected a large plant at Vancouver, Wash., using Bonneville-Grand Coulee power.

In announcing the new contract, Secretary Ickes said: "At a time when aluminum production is one of the great pressing problems standing between us and defense, the Columbia River projects provide the Nation's only large source of immediate power available for production of this metal.

## **Zone conferences called to formulate employment standards for shipbuilding industry**

In an effort to set employment standards for production workers in the shipbuilding industry, the Office of Production Management is calling a series of zone conferences, Sidney Hillman, Associate Director General, announced March 12.

A Pacific Coast conference is now in session in San Francisco. Another for the Gulf area will convene in New Orleans on March 24. Unlike the conferences in the other zones, the one in New Orleans will consider standards not only in the shipbuilding but also in the ship-repair industry. A third conference for the entire Atlantic seaboard is scheduled to open on March 31 in Atlantic City.

Attending these meetings will be representatives of all shipbuilding employers in each area, of the Industrial Union of Marine and Shipbuilding Workers of America (CIO), the member unions of the Metal Trades Department (AFL), the Navy Department, the Maritime Commission, and the Office of Production Management.

"Using the democratic procedure of making mutually satisfactory decisions around the conference table, this series of meetings should result in stability of both employment and production," Mr. Hillman said.

The decision to hold conferences in the Gulf and the Atlantic seaboard areas came as a result of a recommendation by the shipbuilding stabilization committee at its meeting March 3. This committee, under chairmanship of Morris L. Cooke of Mr. Hillman's staff, is composed of representatives of employers in the industry, the CIO and AFL unions in this field, the Navy, and the Maritime Commission.

### **Conference objectives**

The zone conferences will attempt to set standards under the following categories: Basic rates for standard skilled mechanics; overtime provisions; shift premiums; no-strike and no-lockout clauses; no limitation on production provisions; grievance and arbitration machinery.

The zone standards arrived at by these conferences will be announced by the Office of Production Management as covering all shipbuilding yards in the areas

involved. All employees and unions within any particular region will then undertake to make these zone standards a part of their collective bargaining agreements.

The Gulf zone includes not only all shipyards bordering on the Gulf of Mexico but also those on the east coast of Florida. The Atlantic zone covers yards as far south as, and including, Charleston, S. C.

### **Conferees**

The conference in San Francisco first convened on February 3, recessed after a week to allow the conferees to discuss various questions with the shipbuilding stabilization committee in Washington, and reconvened March 10 in San Francisco. In attendance, in addition to representatives of the shipbuilders and their employees from all parts of the west coast, are the following Government observers: Capt. C. W. Fisher, representing the Navy; Daniel S. Ring, representing the Maritime Commission; Isador Lubin representing OPM, and T. L. Norton, executive secretary of the shipbuilding stabilization committee.

### **Shipbuilding stabilization committee**

The shipbuilding stabilization committee is composed of the following members: Morris L. Cooke, chairman; Harvey Brown, president of the International Association of Machinists; John P. Frey, president, metal trades department (AFL); John Green, president, Industrial Union of Marine & Shipbuilding Workers of America (CIO); Gregory Harrison, representing Pacific coast shipyards; Admiral Emory S. Land, chairman, United States Maritime Commission; F. A. Lidell, representing Gulf coast shipyards; Joseph W. Powell, special assistant to the Secretary of the Navy, representing the United States Navy; Prof. H. L. Seward, representing North Atlantic and South Atlantic coast shipyards; H. Gerrish Smith, representing Great Lakes shipyards; Philip H. Van Gelder, secretary, Industrial Union of Marine & Shipbuilding Workers of America, and T. L. Norton, executive secretary of the committee.

# HOUSING . . .

## Contracts for additional 1,110 dwelling units awarded during week ending March 8

Contracts were let for an additional 1,110 dwelling units under the coordinated national defense housing program during the week ended March 8, it was reported by C. F. Palmer, Coordinator of Defense Housing.

As of March 8, according to the Coordinator, total contracts had been let for the construction with public funds of 39,850 dwelling units in 88 localities of 37 States and Territories.

Mr. Palmer also announced that during the week an additional 237 units had been made available for occupancy, bringing the total number of homes in which the families of defense workers or the enlisted personnel are now living, to 2,752 in 16 localities of 11 different States and territories.

Of the number of dwelling units under contract, Mr. Palmer continued, 22,120 are for civilian workers and 17,730 for the married enlisted personnel. 1,689 of the completed dwellings are occupied by civilian, and 1,063 by Army and Navy personnel.

A summary of activities of various governmental agencies participating in the defense housing program as of last week shows:

### Local housing authorities change status

**Federal Works Agency.**—Federal Works Administrator John M. Carmody, announced that enlarged responsibilities and greater freedom for direct action in the defense housing program had been given to 25 local housing authorities by making them direct agents of the Federal Works Administrator. Mr. Carmody said this move was in line with the effort of the FWA to make use of many types of arrangements to speed the construction of defense housing.

The 25 local housing authorities affected by the order are:

*Alabama* — Birmingham, Gadsden; *California* — Alameda; *Connecticut* — Bridgeport, New Britain; *Florida*—Jacksonville, Miami, Pensacola; *Illinois*—Madison County (East Alton); *Maryland*—Baltimore; *Massachusetts*—Boston; *New Jersey*—Newark; *New York*—

Buffalo, Lackawanna, New York City; *North Carolina*—Wilmington; *Ohio*—Warren (Ravenna); *Pennsylvania* — Bethlehem, Beaver County, Erie, Harrisburg, Philadelphia; *Rhode Island*—Newport; *South Carolina*—Charleston; *Tennessee* — Nashville; *Texas* — Corpus Christi, Orange; *Washington*—Bremerton.

As of March 8, the FWA had a total of 23,847 dwelling units under construction at a total estimated construction cost of \$75,448,063.

### New housing for Hawaii

**Public Buildings Administration.**—Public Buildings Administration announced the award of contracts for 575 family housing units in 4 defense projects at a total estimated cost of \$1,974,000. Included in the awards were 342 units at Schofield Barracks costing \$1,180,000, 105 units at Honolulu costing \$350,000, 43 units at Fort Kamehameha costing \$161,000, and 85 family dwelling units near the Holabird Quartermaster Depot at Baltimore, Maryland, at a cost of \$283,000.

### Private home construction

**Federal Housing Administration.**—Federal Housing Administrator Abner H. Ferguson reported that applications during the week ended March 8 for FHA mortgage insurance covering new homes to be built under its inspection were the second highest on record. There were 6,680 mortgages selected for appraisal during the week in an amount of \$30,560,500. 5,287 of the applications were for the insurance of new home mortgages. Mr. Ferguson pointed out that FHA mortgages selected for appraisal on new homes are considered an accurate barometer of the trend of private small home construction for the country as a whole.

### 1941 home financing increases

**Federal Home Loan Bank Board.**—Federal Home Loan Bank Board reported that January home financing exceeded the same month of 1940 by 17 percent in nonfarm areas.

## STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION MARCH 8, 1941

	Funds allocated	Contracts awarded	Completed
Number of States and Territories.....	46	37	11
Number of localities.....	133	88	16
Number of projects.....	250	140	17
Number of family dwelling units.....	72,301	39,850	2,752
Civilian industrial workers.....	36,792	15,922	965
Other civilians: Employees of Army and Navy.....	9,739	6,198	724
Married enlisted personnel.....	25,770	17,730	1,063

## PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

	Week ended Mar. 8	Previous week
New homes started.....	5,287	4,539
New home mortgages selected for appraisal.....	2,341	2,031

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The office of Mr. Charles F. Palmer, Coordinator of National Defense Housing, is, by Executive order, within the Office for Emergency Management, Executive Offices of the President.

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## American planes have fire power and armor protection equal to European craft

Taking issue with a statement attributed in the press recently to A. T. Colwell, president of the Society of Automotive Engineers, to the effect that no fighting planes are planned in the United States which can compete with English or German models for fire power or armor protection, Merrill C. Meigs, chief of the aircraft branch, Production Division, OPM, said on March 16:

"Planes now coming off American production lines are the equal of any European-made craft in fire power and armor protection \* \* \*."

## Recommendation of a temporary shelter program embodying 5,551 units, comprising 15 projects in 10 localities

A temporary shelter program embodying 5,551 dwelling units, comprising 15 projects in 10 localities of the country has been recommended to the President by C. F. Palmer, Defense Housing Coordinator.

The first areas in which critical housing shortages require the establishment of emergency temporary shelter until more adequate accommodations can be provided under the coordinated defense housing program were listed by Mr. Palmer as follows:

New London, Conn.  
Erie, Pa.  
Sidney, N. Y.  
Baltimore, Md.  
Orange, Tex.  
Nashville, Tenn.  
San Diego, Calif.  
Bremerton, Wash.  
Portsmouth, Va.  
Wilmington, N. C.

The mediums of temporary shelter to be provided, according to Mr. Palmer, will include family trailers, dormitories for single men, and a ship. The program will be financed with a \$5,000,000 fund allocated to President Roosevelt for temporary shelter purposes.

### Only for short time

Mr. Palmer said such temporary emergency shelter will be used in certain vital areas where regular defense housing cannot be provided in time to meet a critical need.

He emphasized the fact that such accommodations would be used only for a period of a few months by any one individual or family. Such families would later move into regular and permanent defense housing units. Trailers or other forms of emergency housing would then be moved and used by other families in new locations.

Mr. Palmer announced that dormitories and ships for use by single men during the period of the defense program would be so designed and arranged as to constitute satisfactory accommodations from the standpoint of sanitation and public welfare for the period of their use. The standards for interior space and sanitation for all emergency housing, he added, would have to meet the minimums prescribed by the Division of Defense Housing Coordination.

### FSA management

The Coordinator revealed that the mobile units, and most of the dormitories for single people would be managed by the Farm Security Administration, while boats would be purchased and refitted, in all probability, by the Maritime Commission.

He pointed out that the Farm Security Administration had had wide experience in the control of shelter for migratory workers and that the temporary defense housing shelter would be conducted along the same lines.

Regional coordinators of the Division of Defense Housing Coordination, according to Mr. Palmer, would check from time to time to ascertain the need for continuing the temporary shelter programs in any location and would make a report at such time as units could be removed in whole or in part. This information would then be released to the agency handling that particular locality with instructions as to disposition of the units.

Mr. Palmer said that in areas where the temporary shelter is programmed, there are already a large number of permanent dwelling units for which funds have been allocated or on which construction has already started.

In New London, Conn., he said 400 permanent units are to be built with public funds; in Erie, Pa., 500; in San Diego, Calif., 4,200; in Sidney, N. Y., 200; Baltimore, Md., 2,000; Nashville, Tenn., 300; Orange, Tex., 850; and Bremerton, Wash., 1,400. In the Hampton Roads area, Va., he said more than 6,000 units are nearing completion.

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## New agricultural consultant for priorities division

Mr. Clifford V. Gregory, in charge of priorities for the agricultural division and associate publisher of *Wallace's Farmer*, has been appointed to serve in a consultative capacity on all priorities relating to agriculture, it has been announced by E. R. Stettinius, Jr., director of priorities for OPM.

## Wide variety of meat products will be served to men in Army

A wider range of meat products, particularly fresh meats, will be bought by the Army as a result of agreements reached in a recent conference of leaders in the livestock industry with officials of the Army Quartermaster Corps and the Division of Purchases, Office of Production Management.

This conference, held in the office of Donald M. Nelson, Director of the Division of Purchases, brought about extension of weight ranges and a liberalization of the grades of meat which can be bought for the Army ration.

### Meat consumption high

In this connection, it is pointed out that the American soldier is getting in his regular ration substantially more fresh meat than the per capita average of consumption by the entire country.

As a general rule, the soldier gets meat or protein foods at 18 of his 21 weekly meals.

His breakfast, for example, includes bacon or eggs, or the two together, or meat in some other form—ground beef, for instance, creamed and served on toast.

Five days in every week find meat—roast, steak, chops, etc.—on the noonday menu. On an average, each man is allowed one-half pound of meat at this meal, the exact allowance varying with different kinds of meat. If steak is served, for instance, the allowance is 50 to 55 pounds for 100 men. Ground steak for meat loaf is figured at 35 pounds for 100 men, chuck meat for pot roast at 65 pounds for 100 men, and so on. On Friday noon, fresh fish is served.

### Pork and beans

Every Saturday noon, by Army tradition of long standing, the soldier gets baked beans in place of his meat ration—the beans being flavored with salt pork or bacon.

The soldier usually gets two meatless suppers per week, the meat ration being replaced at those two meals by some such dish as spaghetti and cheese.

The soldier gets a carefully balanced meal, and fruits, vegetables, and starches are served, of course, in proper proportion to balance the meat which is consumed.

# PURCHASES . . .

## Plant expansion contracts during February total \$125,483,649, according to OPM

Contract awards by the Army, Navy, and Maritime Commission for plant expansion, construction, and equipment during February totaled \$125,483,649, the Office of Production Management has announced. This brings the corrected figure for such announced awards since June 1, 1940, under the national defense program to a total of \$1,171,906,181.

This compilation covers plants in which the Government has participated in the financing, or which are to be amortized by Government payments over a 5-year period under cost-plus-fixed-fee contracts.

The list of February expansion contracts follows:

### ALABAMA

Brecon Loading Co., Wilmington, Del., subsidiary of Coca-Cola Co., of Atlanta, Ga.; equipment for artillery ammunition bag-loading plant at Childersburg, Ala.; \$1,091,000 (War).

Reynolds Alloys Co., Sheffield, Ala., subsidiary of Reynolds Metals Co., Louisville, Ky.; construction of building and equipment for manufacture of aluminum sheet and structural aluminum shapes; \$9,801,211 (War).

### CALIFORNIA

Moore Drydock Co., Oakland, Calif.; for expansion of shipbuilding facilities; \$4,000,000 (Navy).

### COLORADO

Broderick and Gordon, Denver, Colo.; for construction of small arms ammunition plant at Denver, Colo., to be operated by Remington Arms Co., Inc.; \$13,206,390 (War).

### ILLINOIS

W. F. & John Barnes Co., Rockford, Ill.; construction of plant and equipment for the manufacture of machine tools; \$500,000 (War).

Gunite Foundries Corporation, Rockford, Ill.; construction of plant and equipment for manufacture of machine tool castings; \$200,000 (War).

### INDIANA

Curtiss Propeller Div., Curtiss-Wright Corporation, Indianapolis, Ind.; additional machinery and equipment for manufacture of airplane propellers; \$7,099,650 (War).

Bridgeport Brass Co., Bridgeport, Conn.; construction of plant, machinery, and equipment at or near Indianapolis, Ind., for manufacture of cartridge cases; \$11,500,000 (War).

### KENTUCKY

Reynolds Metal Co., Louisville, Ky.; additional plant facilities and equipment for the manufacture of aircraft and other military supplies; \$2,504,611 (War).

Atmospheric Nitrogen Corporation, New

York, N. Y., Affiliate of Allied Chemical and Dye Co. of New York; construction and equipment for anhydrous ammonia plant at West Henderson, Ky.; \$13,600,000 (War).

### MARYLAND

Bethlehem-Fairfield Shipyard, Inc., Baltimore, Md.; for construction of 13 ways and other shipbuilding facilities for construction of part of the 200 merchant ships under the emergency shipbuilding program. (Five other contracts have been let for 32 ways and other facilities to cost \$20,695,500); \$7,838,000 (Maritime Commission).

### MICHIGAN

Murray Corporation of America, Detroit, Mich.; machinery and equipment for manufacture of airplane wing assemblies for Douglas Aircraft, Inc.; \$1,952,474 (War).

N. A. Woodworth Co., Ferndale, Mich.; land, buildings, machinery, and equipment for manufacture of engine parts for Wright Aeronautical Corporation; \$738,944 (War).

Graham-Palge Motors Corporation, Dearborn, Mich.; machinery and equipment for manufacture of connecting rods for Wright Aeronautical Corporation; \$1,803,280 (War).

Hudson Motor Car Co., Detroit, Mich.; machinery and equipment for manufacture of engine parts for Wright Aeronautical Corporation; \$939,313 (War).

Briggs Manufacturing Co., Detroit, Mich.; for increased machinery and equipment in present buildings; for the manufacture of outer-wing assemblies for the Douglas Aircraft Corporation; \$288,100 (War).

Aeronautical Products Corporation, Detroit, Mich.; for construction of plant addition, machinery and equipment for manufacture of precision aircraft parts for landing gears, engines, and carburetors; \$495,880 (War).

Vickers, Inc., Detroit, Mich., subsidiary of Sperry Gyroscope Co., Brooklyn, N. Y.; construction of a building, and equipment for manufacture of hydraulic controls, and other products for the aircraft industry; \$895,000 (War).

### MISSOURI

McDonnell Aircraft Corporation, St. Louis, Mo.; construction of a building and equipment for manufacture of tail surfaces and other airplane parts; \$496,717 (War).

### NEBRASKA

Three contractors: Peter Kiewit Sons Co., Omaha, Nebr., George W. Condon Co., Omaha, Nebr., Woods Bros. Construction Co., Lincoln, Nebr.; for construction of completely integrated aircraft manufacturing and assembly plant and air field at Fort Crook, Omaha, Nebr. (initial contract—\$8,078,000; total estimated cost—\$10,300,000); \$8,078,000 (War).

### NEW JERSEY

Curtiss Propeller Div., Curtiss-Wright Corporation, Caldwell, N. J.; additional machinery and equipment for manufacture of airplane propellers; \$1,769,600 (War).

Quilby Pump Co., Inc., Newark, N. J.; for expansion of facilities for production of

items for use in shipbuilding; \$134,000 (War). Items for use in shipbuilding; \$134,000 (Navy).

De Laval Steam Turbine Co. Trenton, N. J.; for expansion of facilities for production of items for use in shipbuilding; \$350,000 (Navy).

Worthington Pump and Machinery Corporation, Harrison, N. J. Plant; for expansion of facilities for production of items for use in shipbuilding; \$600,000 (Navy).

### NEW YORK

Sperry-Gyroscope Co., Brooklyn, N. Y.; machinery and equipment for the manufacture of technical instruments; \$3,025,000 (War).

Henry B. Nevins, City Island, N. Y.; for expansion of shipbuilding facilities; \$100,000 (Navy).

Worthington Pump and Machinery Corporation, Buffalo, N. Y. plant; for expansion of facilities for production of items for use in shipbuilding; \$325,000 (Navy).

Worthington Pump and Machinery Corporation, Wellsville, N. Y., plant; for expansion of facilities for production of items for use in shipbuilding; \$100,000 (Navy).

Consolidated Machine and Tool Corporation, Rochester, N. Y.; for expansion of facilities for production of items for use in shipbuilding; \$490,000 (Navy).

Sterling Engine Co., Buffalo, N. Y.; for expansion of facilities for production of items for use in shipbuilding; \$450,000 (Navy).

Kollmorgan Optical Co., Brooklyn, N. Y.; for expansion of facilities for production of items for use in shipbuilding; \$307,000 (Navy).

### OHIO

Thompson Aircraft Products Co., subsidiary of Thompson Products, Inc., Cleveland, Ohio; land, buildings, machinery, and equipment for a plant for the manufacture of aircraft parts, and aircraft engine parts; \$11,198,472 (War).

The Eaton Mfg. Co., Cleveland, Ohio; machinery and equipment for the manufacture of propeller parts for the Wright Aeronautical Corporation; \$854,335 (War).

Atlas Powder Co., Wilmington, Del.; for increased facilities at shell loading plant at Ravenna, Ohio; \$1,934,000 (War).

American Tool Works Co., Cincinnati, Ohio; for expansion of facilities for production of items for use in shipbuilding; \$740,572 (Navy).

Monarch Machine Tool Co., Sidney, Ohio; for expansion of facilities for production of items for use in shipbuilding; \$500,000 (Navy).

### PENNSYLVANIA

Curtiss Propeller Div., Curtiss-Wright Corporation, Beaver, Pa.; for the construction of building, including machinery and equipment, at Beaver, Pa., for the manufacture of airplane propellers; \$5,221,100 (War).

Chambersburg Engineering Co., Chambersburg, Pa.; for expansion of facilities for production of items for use in shipbuilding; \$661,000 (Navy).

Birdsboro Steel Foundry Machine Co., Birdsboro, Pa.; for expansion of facilities for production of items for use in shipbuilding; \$600,000 (Navy).

Brewster Aeronautical Corporation, Johnsville, Pa.; for construction, machinery, and equipment of a plant at or near Johnsville, Pa. (maximum amount); \$2,000,000 (Navy).

## WASHINGTON

Lake Washington Shipyards, Houghton, Wash.; for expansion of shipbuilding facilities; \$700,000 (Navy).

## WEST VIRGINIA

General Machinery Ordnance Corporation; for rehabilitation and equipment of parts of United States Naval Ordnance plant, So. Charleston, W. Va., for machining ordnance equipment (maximum amount); \$1,645,000 (Navy).

## WISCONSIN

American Brass Co., Waterbury, Conn.; construction of plant, machinery, and equipment at Kenosha, Wis., for manufacture of ammunition brass and ammunition cups; \$4,750,000 (War).

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## Businessmen will have advance information on minimum-wage determinations

A businessman preparing to bid on a Government contract will now know in advance whether there may be a change in the legal minimum wage of his industry by Government action, and will know just when the change, if made, will go into effect, it was announced March 11 by Donald M. Nelson, Director, Division of Purchases, Office of Production Management.

This was worked out at a conference of officials of the Wage and Hour Division and the Division of Public Contracts, Department of Labor, with officers of the Quartermaster Corps and the Division of Purchases.

The machinery for setting industry minimum-wage rates under the Fair Labor Standards Act, and for finding prevailing minimums under the Walsh-Healey Act, will remain unchanged.

In the future, however, dates on which wage determinations will go into effect will be set after consultation on the part of Labor Department officials with officials of the Division of Purchases.

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## Appointment of purchases adviser for bakery products

Appointment of Tom Smith of Chicago, secretary of the American Bakers Association, as special adviser on the procurement of bakery products was announced March 13 by Donald M. Nelson, Director, Division of Purchases, Office of Production Management.

Under Howard B. Cunningham, head of the Division's Subsistence Branch, Mr. Smith will advise and assist the Quartermaster Corps in working out methods to supply the new Army with bread and bakery products.

## Compilation of defense contracts cleared and awarded, March 6 through March 12

Defense contracts totaling \$106,224,332 were awarded by the Army and Navy and cleared by the Division of Purchases, Office of Production Management, during the period March 6 to March 12, inclusive.

This compares with \$49,533,693 for the previous week and \$54,387,403 for the week ended February 26. Contracts amounting to \$500,000 or more are cleared by the Division of Purchases of the Office of Production Management.

Cleared contracts awarded by the War Department during the latest period totaled \$94,230,652, and by the Navy Department, \$1,993,680.

## ORDNANCE

## War Department

Allis-Chalmers Mfg. Co., La Porte, Ind.; artillery matériel; \$5,120,229.

International Harvester Co., Chicago, Ill.; adapters and parts; \$932,400.

Worthington Pump & Machinery Corporation, Holyoke, Mass.; artillery matériel; \$4,718,400.

York Safe & Lock Co., York, Pa.; artillery matériel; \$2,969,476.35.

Hobart Bros. Co., Troy, N. Y.; generating units; \$2,491,320.

Atlas Powder Co., Chattanooga Plant, Ooltewah, Tenn.; spotting charges; \$823,362.50.

Bossert Co., Utica, N. Y.; cartridge cases; \$1,290,000.

Norris Stamping & Mfg. Co., Los Angeles, Calif.; cartridge cases; \$690,000.

Rheem Mfg. Co., Chicago, Ill.; bodies, bomb practice; \$3,051,657.

Bohn Aluminum & Brass Corporation, Detroit, Mich.; artillery ammunition components; \$566,950.

## CONSTRUCTION

## War Department

T. W. Cunningham, Inc., Winchester, Mass.; housing and facilities at air base at Bangor, Maine; \$1,011,709.

J. A. Jones Construction Co., Charlotte, N. C.; troop housing facilities at Fort Jackson, S. C.; \$3,924,607.31.

Hunkin-Conkey Construction Co., Cleveland, Ohio, for construction; and Jennings & Lawrence Co., of Columbus, Ohio; for architectural and engineering services for Ravenna Ammunition Storage Depot, at Ravenna, Ohio; \$4,039,675.

Two contractors: Sullivan, Long & Hagerty, Bessemer, Ala., and Algernon Blair, Montgomery, Ala.; for construction of bag-loading plant at Childersburg, Ala., and Wiedman & Singleton, of Atlanta, Ga., architectural and engineering services; \$9,436,816.

Two contractors: Manhattan Construction Co., of Muskogee, and Long Construction Co., at Tulsa, Okla.; for construction of heavy bomber assembly plant at Tulsa, for which Consolidated Aircraft Corporation, of San Diego, Calif., will furnish consultant services, and Austin Co., of Cleveland, Ohio, architectural and engineering services; \$10,476,400.

Austin Co. of Cleveland, Ohio; for construction of heavy bomber assembly plant at Fort Worth, Tex.; for which Consolidated Aircraft Corporation of San Diego, Calif., will furnish consultant services; \$10,511,400.

Three contractors: G. L. Tarleton and McDonald Construction Co., of St. Louis, Mo., and S. Patti Construction Co., Kansas City, Mo.; for construction of medium bomber assembly plant at Kansas City, Kans.; the North American Aviation, Inc., of Inglewood, Calif., will furnish consultant, architectural, and engineering services, and operate the plant; \$3,706,454.

W. F. & John Barnes Co., Rockford, Ill.; construction of a plant and equipment for the manufacture of machine tools; \$500,000.

Gillmore-Carmichael-Olson Co., of Cleveland, Ohio; architectural and engineering services and construction of Government-owned gas mask charcoal plant at Fostoria, Ohio, to be operated by National Carbon Co., Fostoria; \$957,000.

Atmospheric Nitrogen Co., New York, N. Y.; operation, design, engineering, construction equipping, and the equipment itself; \$15,484,195.

Reynolds Alloys Co., Sheffield, Ala.; construction of building and equipment for manufacture of aluminum sheet and structural aluminum shapes; \$9,801,211.

## Navy

Brewster Aeronautical Corporation, Johnsville, Pa.; construction of plant at or near Johnsville, Pa.; \$2,000,000.

Moore Drydock Co., Oakland, Calif.; expansion of shipbuilding facilities; \$4,000,000.

Radich & Brown, Burbank, Calif.; roads and services at Naval Supply Depot, Oakland, Calif.; \$796,000.

## EQUIPMENT AND SUPPLIES

## War Department

Harley-Davidson, Milwaukee, Wis.; motorcycles; \$870,360.

Indian Motorcycle, Springfield, Mass.; motorcycles; \$857,000.

## Navy

Pennsylvania Forge Corporation, Philadelphia, Pa.; acquisition and installation in contractor's plant at Tacony of additional equipment and facilities to enable the contractor to produce heavy and other forgings; \$2,500,000.

Reid Avery Co., Dundalk, Baltimore, Md.; electrodes, welding; \$618,110.

Westinghouse Electric & Manufacturing Co., Washington, D. C.; blowers, main forced draft; \$2,079,570.

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## NEW BAG-LOADING PLANT

The War Department announced March 10 the award of a contract to Sullivan, Long & Hagerty, Bessemer, Ala., and Algernon Blair, Montgomery, Ala., for the construction of a bag-loading plant at Childersburg, Ala., to be designated the "Cocsa River Ordnance Plant."

Wiedman & Singleton of Atlanta have been awarded the contract for architectural and engineering services in connection with the construction of this plant, which it is estimated will cost \$9,436,816.

As announced by the War Department on February 20, 1941, this plant, upon completion, will be operated by the Brecon Loading Co., a subsidiary of the Coca Cola Co., which also will furnish management and consultant services during construction.

# STATE AND LOCAL COOPERATION . . .

## Delaware defense council act signed; powers and duties outlined

The Delaware Council of Defense Act, which provides for a State council, and authorizes local and district councils if such are deemed expedient by the State body, was signed by Gov. Walter W. Bacon on February 26, Senate bill No. 12, 1941, regular session. A defense council serving in an advisory capacity to the Governor has been functioning in the State since last October.

Other States in which provision has been made for defense councils by action of the 1941 legislatures are Iowa, Nebraska, New York, and Wyoming (DEFENSE, March 11).

Under the Delaware act, the State council consists of the Governor (ex officio chairman) and 6 or more persons, but not exceeding 15, appointed by the Governor and serving at his pleasure. The Governor is required to designate one of the council members to serve as vice chairman. Members are to be selected "without reference to political affiliation and with reference to their special knowledge of industry, agriculture, consumer protection, labor, education, health, welfare, or other subjects related to national or State defense."

### Powers and duties

Like other State defense councils established by law, the Delaware body has power to supervise studies and investigations in these various fields and others relating to national defense, including civil liberties and the protection thereof, maintenance of law and order, and measures to guard against sabotage and subversive activities. The council is specifically given authority also with respect to civil defense, including police mobilization, coordination of fire protection, and disaster relief.

The Delaware act authorizes cooperation with defense agencies of the Federal Government and of other States, and with local defense councils. The State council must utilize so far as possible the facilities and services of established State and local agencies.

Investigatory powers of the council include authority to make full investigation as to all questions relating to the powers or duties of the council. The council can

subpoena witnesses, require their attendance and testimony, and compel the producing of account books, files, and all documents relative to any investigation or matter which it has under consideration. Refusal to obey or comply with an order of the State council is declared a misdemeanor.

### Local and district councils

If deemed expedient, the State council may authorize political subdivisions to establish a local defense council by proclamation of the executive officer or governing body thereof. Local councils would have powers within their jurisdictions similar to those of the State council. It is specifically provided in the law that local councils shall terminate or cease activity whenever the State council is dissolved or suspended.

District defense councils can be set up by the State council, in cooperation with local councils, for critical areas of especial importance to defense activities. District councils would act as coordinating agencies.

Under the Delaware act, annual appropriations are authorized for work of the council.

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## Defense council membership for Mississippi and Nebraska

Mr. Lee Robinson, chairman of the Mississippi State Council of Defense, and mayor of Centreville, has reported to the Division of State and Local Cooperation the full membership of the State defense council.

The council consists of 49 members. An executive committee has been named. The legal adviser and the public relations director of the State selective service system have been designated to serve in their respective capacities for the newly appointed council.

Mr. Mundel Bush, director of the Mississippi Board of Development, has been designated coordinator of the council and Mr. Heber Ladner has been named associate coordinator.

### Nebraska

Governor Dwight Griswold, ex-officio chairman of the Nebraska Advisory Defense Committee, reports that the organization meeting of the committee was held on February 24. The act authorizing the committee was signed by the Governor on February 15 (DEFENSE, March 11).

The committee has 23 members and is organized along functional lines. Mr. Wade R. Martin, State director of banking, has been named executive vice-chairman, and Mr. R. F. Weller, assistant director of the State Motor Vehicle Division, has been named executive secretary.

A local defense council has been appointed by Mayor Dan Butler of Omaha.

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## "United States giving attention to domestic production of drugs and chemicals,"

### Mr. McNutt says

Through the cooperative efforts of the Government and the drug and chemical industry, the United States now has in storage a 3-year supply of opium and a supply of quinine which under normal circumstances would last 3 years, or, if an epidemic should strike, 2 years, Federal Security Administrator Paul V. McNutt stated March 13. Mr. McNutt addressed the Drug, Chemical, and Allied Trades Section, New York Board of Trade.

Not only for the benefit of the continental United States but to aid South American neighbors in their public health work, attention should be given to the domestic production of drug supplies, Mr. McNutt said. Progress is being made toward the production in South America of cinchona bark, from which quinine is made. In addition, Government and private specialists are working on the development of synthetic drugs to replace quinine and morphine. The refugee colony in the Dominican Republic is cultivating the castor bean, from which castor oil is made.

Mr. McNutt suggested that thought be given to such products as the mahuang plant, which comes from the Orient, and to digitalis, which product can be grown in several sections of the United States.



## Contract awards, plant expansions, employment gains—discussed by Mr. Knudsen

William S. Knudsen, Director General of the Office of Production Management, on March 13 reviewed certain aspects of the defense program at an informal staff meeting of the Production Division.

Mr. Knudsen told members of the Division that the total value of major defense contracts awarded by the War and Navy Departments from June 1, 1940, through January 31, 1941, was \$12,575,-869,000.

Since that time, the United States and British Governments, either directly or through tax-depreciation provisions, have been instrumental in plant expansions involving 784 plants having an estimated total cost of \$2,138,000,000. Of these, the United States Government, through the War and Navy Departments, the Reconstruction Finance Corporation, and the Defense Plant Corporation, have awarded contracts or issued letters of intent for the construction or expansion of 302 plants at an estimated cost of \$1,574,-000,000 up to March 1, 1941. The British Government has financed expansion of 61 plants in the amount of \$171,000,000. Certificates of Necessity, which entitle owners of plant facilities to an accelerated rate of depreciation for tax purposes on plants required for the national defense program, have been approved for the expansion of 421 plants at an estimated cost of \$393,000,000. The latter plants are privately financed.

### Types of production variable

Speaking of the prospects for early production of defense equipment, Mr. Knudsen declared that "things will begin to roll" within the next 3 or 4 months. He pointed out, however, that progress in the production of different types of equipment varies according to decisions reached by the military authorities as to the type of equipment on which greatest effort should be concentrated. The relative importance of various items of defense equipment, Mr. Knudsen stated, is determined by the War and Navy Departments, and their decisions effectuated by the use of priorities.

A priority rating given to a certain item, Mr. Knudsen explained, is carried through to the various pieces of equipment. For instance, delivery of guns and instruments for airplanes must be made in time to meet production schedules for

the completed planes. Also, in the case of ships, the production of propulsion machinery and auxiliaries must be timed with the construction of the completed vessel. "The problem for the Office of Production Management," Mr. Knudsen stated, "is to be able to allocate equipment for all kinds of material so as to cause the least possible delay to the entire program."

Revision of production schedules may take place from time to time according to decisions of the War and Navy Departments as to the type of military machine best fitted to current defense requirements, Mr. Knudsen stated. "It is our job," he said, "to get everything the Army and Navy wants when they want it and if that cannot be done to get them what they want in the order of its importance."

### Employment gains

Turning to the question of employment gains as a result of the national defense program, Mr. Knudsen pointed out that between May 1940—immediately prior to the formation of the National Defense Advisory Commission—and January 1941, there has been an increase of 1,445,000 persons working in nonagricultural industries. The increase from January 1940 to January 1941, was 1,868,000 employees. In manufacturing industries alone there has been an increase of 968,000 persons from May to January. Most of this increase has been in the durable goods industries in which employment has increased by 721,000 persons, or 19 percent.

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### Appointments in steel unit, production division

The following four additions to the staff of the steel unit in the Production Division of the Office of Production Management were announced March 17:

George F. Hocker, of Bethlehem, Pa., who will deal with heavy forgings and castings, has been manager of heavy forgings and castings sales for the Bethlehem Steel Co.

Arthur A. Wagner, of Pittsburgh, who will deal with structural material, plates, and special steels, has been in charge of

sales of plates and structural material for the Jones & Laughlin Steel Corporation.

Arthur J. O'Leary, of Coatesville, Pa., who will assist in expediting urgently needed steel deliveries, has been assistant to the manager of steel-plate sales for the Lukens Steel Co.

James G. West, of Pittsburgh, formerly in charge of blast furnaces for the Jones & Laughlin Steel Corporation. Mr. West will visit closed blast furnaces in various parts of the country to determine whether they might be rehabilitated to increase pig-iron production. A number of old and obsolete furnaces are now closed down.

Mr. Hocker, Mr. Wagner, and Mr. O'Leary have arranged with their respective companies for leaves of absence to assist the Production Division.

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### Program to stimulate trade among American Republics moves forward

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, announced on March 13 the membership of the Paraguayan National Council, the fourth of 21 councils being established by the Inter-American Development Commission in its program for the stimulation of trade among the American Republics. Mr. Rockefeller is chairman of the Development Commission.

The Paraguayan Council is headed by Oscar Perez Uribe, president of the Centro de Importadores, and a Paraguayan businessman. The other members include:

Ladislao Z. Vaccaro, vice chairman. Senor Vaccaro is president of the Union Industrial Paraguaya and a member of the board of the Banco Agrícola.

Emigdio Arza, president of the Asocia-cion Rural Paraguaya.

Manuel Ferreira, a Paraguayan merchant.

Francisco Ferrario, of the exporting firm of Ferrario & Co.

Julio J. Bajac, secretary of the Council. He is director of Comercio Internacional del Ministerio de Relaciones Exteriores.

Similar councils composed of outstanding business, professional, and technical men have been formed in Brazil, Argentina, and Uruguay.

# PRICE STABILIZATION . . .

## Steps to improve conditions in primary and secondary zinc markets, announced by Commissioner Henderson

Two important steps to improve price and supply conditions in primary and secondary zinc markets were announced March 11 by Commissioner Leon Henderson of the Price Stabilization Division.

They were:

1. Announcement that, at Mr. Henderson's request, each company producing and selling primary slab zinc has pledged that during the emergency it will sell only direct to consumers or processors. This means that no new sales will be made on the Commodities Exchange and that no more primary zinc will be available for speculation.

2. A committee representing the various branches of the secondary zinc markets met with the Division on Tuesday, March 11, to advise on formulation of a concrete plan to bring prices of secondary zinc materials and products into line with the prices of the primary metal based on 7.25 cents per pound for Prime Western zinc at East St. Louis.

### Secondary brass and copper

At the same time, Mr. Henderson said that he is issuing warnings to the secondary brass and copper markets, which have recently shown signs of following the same course leading to unjustified price increases that demoralized the secondary aluminum and zinc markets. He expressed the hope that secondary brass and copper dealers and processors "will learn from the unhappy examples of zinc and aluminum and consequently will maintain order and stability."

### Primary zinc sales restricted during emergency

In the last few months, Mr. Henderson pointed out, producers of primary zinc have in large measure sold their product at a stable price under demand conditions which would have permitted a rising price. The price of 7.25 cents per pound, which has prevailed since last September, has been adequate to insure capacity output of primary smelters.

"This price," said Mr. Henderson, "appears to be adequate for the foreseeable future."

"However, small amounts of zinc have been offered at premiums by metal brokers and others, and the effects of the speculative resale prices and of the high Exchange prices on the scrap and secondary markets have been unfortunate. Although reports from the Exchange to the Defense Commission indicate that producers have not sold metal on the Exchange in the past 6 weeks, there has been a widespread belief that they were doing so. Because of this, and because some metal was being sold at speculative prices by middlemen, each company producing and selling primary metal has been requested by me to pledge that henceforth during the emergency it will sell only to processors and will not sell on the Commodities Exchange."

"Exceptions have been made in the case of sales on the Exchange incident to closing out a net long position, sales to Governments, sales to dealers for lawful export, and sales through an agent receiving a commission. Sales to regular retailers who distribute in less than carload lots are not prohibited, provided the selling company furnishes the names of the retailers."

### Zinc scrap prices condemned

Mr. Henderson condemned rising zinc scrap prices, which have impaired the efforts of some producers of secondary slab zinc to adhere to the price of the primary metal. He added:

"Scrap dealers whose prices have skyrocketed, consumers who have begged for metal at any price, and those producers of secondary zinc products who have bid high prices for scrap, have not adequately recognized their responsibilities in the national emergency."

"Rising prices in the secondary zinc markets do not appreciably increase the supply. On the contrary, they encourage speculative hoarding. In order to restore stable prices and assure maximum

flow of secondary materials to processors, the price of secondary zinc must be reduced to the 7.25 cents per pound base price of the primary metal, and prices of secondary zinc materials must be brought into line with this base."

Mr. Henderson revealed that measures are now being considered to insure the sale at regular prices of zinc now held by speculators.

"In the present emergency there is no justification for speculative premiums," he said. "This was recognized in the recent action of the Commodities Exchange—following my request to the producers—whereby the opening of new positions in zinc on the Exchange has been prohibited."

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## Maximum prices for scrap iron and steel will be established

A warning that a schedule of maximum prices for scrap iron and steel will presently be established at a rate below prices current in the scrap metal market was issued March 7 by Leon Henderson, commissioner of price stabilization, National Defense Advisory Commission.

In response to inquiries from the Pacific coast and other regions, the following statement was issued by Mr. Henderson:

"A set of geographical and grade differentials has been submitted to all interested divisions of the industry, including foundries, scrap dealers, and steel manufacturers, for criticism and discussion."

"After the Division has given due consideration to all of these criticisms and suggestions, there is no doubt that a schedule of maximum prices on grades at various points in the United States, including the Pacific coast, will be established. All of these prices will be below \$20 a ton, Pittsburgh."

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## Cold storage for Alaska

The War Department announced February 21 that the Army is constructing cold storage facilities costing \$270,000 at Elmendorf Field, Anchorage, Alaska, to refrigerate enough perishable foods to last 6,000 soldiers about 6 weeks.

# TRANSPORTATION . . .

## Army personnel traffic for February— high efficiency record for 1940

The Military Transportation Section of the Association of American Railroads reports that during the month of February the railroads handled personnel of the Army, Navy, Marine Corps, and the Civilian Conservation Corps, as follows:

	No. of routings	Handled on regular trains	Handled on special trains	No. of special trains
Army.....	590	9,549	134,755	438
Navy.....	69	2,013	2,294	16
Marines.....	20	598	112	1
CCC.....	6	-----	1,855	6
Total.....	685	12,160	139,016	461
Grand total.....	-----	-----	-----	151,176

In addition to the 9,549 Army personnel handled on regular trains, there were 81,562 selectees handled from induction stations to reception centers on regular trains not covered by main numbers, making a total handled for the month of February of 232,738 men.

Railroad carloadings for the first 9 weeks of 1941 totaled 6,320,953 cars as compared to 5,681,250 cars during the corresponding period of 1940, and 5,166,020 cars during the corresponding period of 1939. 1941 represents an increase of 11.3 percent over 1940 and 22.0 percent over 1939. Principal increases have been recorded in movement of coke, forest products, ore, and miscellaneous, with grain, grain products and livestock showing decreases and coal shipments running approximately the same as in 1940.

### Railroads set new records

New high records in operating efficiency were attained by the railroads in 1940, according to complete reports for that year, the Association of American Railroads has announced.

The outstanding feature in railroad performance was the increase in the amount of freight that was carried per train, the average in 1940 having been 849 tons compared with 813 tons in 1939, and 804 tons in 1929—the year of heaviest traffic in the history of the railroads.

Freight train performance in 1940 was approximately twice that of 20 years ago. That is, gross ton-miles per train hour

increased from 16,555 in 1921 to 33,808 in 1940, or 104 percent, while net ton-miles per freight train hour increased from 7,506 in 1921 to 14,027 in 1940, or 87 percent. These are new high records in both instances.

Freight locomotives in 1940 operated a daily average of 107.2 miles, which also was a new high record. The average daily movement of all freight cars, which includes those being loaded and unloaded, was 38.7 miles in 1940, which also was a new high record. Net ton-miles per freight-car-per-day was 661 ton-miles, also a new record. The previous record was established in 1937 with an average of 625 ton-miles per day.

### Fuel performance

Fuel efficiency in freight service was never better than in 1940. Despite the increased weight per train and the increase that has taken place in recent years in the average speed of trains, the railroads in 1940 averaged 112 pounds of fuel for the movement one mile of 1,000 tons of freight and equipment. For each pound of fuel used in freight service in 1940, the railroads hauled 8 $\frac{1}{10}$  tons of freight and equipment one mile compared with 6 $\frac{1}{2}$  tons in 1921, or an increase of 44 percent.

Railroads in 1940 had an average of 144,249 unserviceable freight cars, the lowest number in need of repair on record. This was 7.9 percent of ownership. Since then, the number has been further reduced with the result that on February 1 this year there were only 107,596 unserviceable cars, or 6.7 percent of ownership.

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## FEBRUARY PLANE PRODUCTION

The Office of Production Management announced today that during February, 972 airplanes were delivered by United States manufacturers to the Army, Navy, British, other Governments and commercial airlines. 879 were delivered to the Army, Navy, and the British.

## Trucking companies establish new service to facilitate handling of Government traffic

The American Trucking Associations, Inc., has established what is known as the "Traffic Service Department" to assist motortruck operators, in their dealings with Government agencies, concerning the handling of Government traffic.

The new Department will function for truck operators as follows:

1. Maintain daily contact with officials of the War, Navy, Procurement, and other leading Government departments in the interest of the trucking industry. The contact man will represent all subscribers to the service and will not solicit Government transportation on behalf of any individual carrier.

2. Furnish to its members a report on Government contracts, listed by States—the name and location of the company receiving the award, the commodities covered by the contract, and the amount of the award.

3. Procure motor carrier tariffs for Government departments and maintain a file so as to have available any tariff information required.

4. Compile complete information on delivery time, insurance, and number, type, and capacity of equipment of all motor carriers, with maps and descriptions of territories served and connecting line arrangements.

5. Act as Washington representative, within reasonable limits, on Government traffic which carriers actually have.

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## Social protections essential to total defense, says Paul V. McNutt

An investment in social welfare will give at least as good returns as the money being spent on guns, ships, and airplanes, Federal Security Administrator Paul V. McNutt stated in an address, March 13, to a General Foods Corporation meeting.

"If anyone still doubts that social protections are essential to total defense, let him look at the experience of the Nations now at war," he suggested.

# AGRICULTURE . . .

## Commissioner Davis warns of possible handicap to defense program by regional concentration of defense awards

The time has come for southern people to join together and start on the hard route to industrialization, Chester C. Davis, agricultural commissioner of the National Defense Advisory Commission, told the Conference of Southern Governors meeting at New Orleans, La., March 15.

"Within recent months the TVA and TVA power have brought an aluminum industry, an ammonia industry, and the manufacture of explosives to Tennessee and Alabama," Mr. Davis said. "There would have been precious little defense industry in these States without TVA facilities. The development of the Tennessee Valley was largely the product of southern initiative and imagination. It should be an object lesson to the South in what a genuine industrial development requires."

### Southern resources neglected

Commissioner Davis said that the South must make most vigorous and positive efforts if its labor reserve and resources are to be recognized and put to industrial use.

He deplored the fact that in our defense effort up to date we have followed the same pattern of regional concentration that was followed in 1917 and 1918, when we handicapped our effort by shortages of labor and transport and left an aftermath of overbuilt and overconcentrated industry.

Commissioner Davis said: "Between June 1, 1940, and January 31, 1941, some 7½ billions of dollars of defense contracts were let. These exclude contracts for ship construction and supplies, where obviously the seaboard States must dominate the picture. Of this total, only slightly over a half billion, or approximately 7 percent, have been placed in the 11 States of Alabama, Georgia, North Carolina, South Carolina, Oklahoma, Florida, Arkansas, Tennessee, Mississippi, Louisiana, and Texas. This 7 percent of the total compares with a value of manu-

factures in 1937 in these States of slightly over 11 percent of the national total.

"These figures are for defense contracts. Up to March 1, plans have been completed for the construction of some 302 new plants and facilities for defense production. Of these, only 24, valued at \$166,271,860, have been located in these 11 States, as compared with 302, at a cost of \$1,574,523,000, in the rest of the country. These were the new facilities and plants where I had hoped we would have a special freedom of choice in finding favorable locations in accordance with the broad pattern of decentralization."

### Distribution of defense awards to industry

Defense contracts are being absorbed by a small handful of concerns, and the very smallness of the number threatens to be a serious bottleneck in the full use of our industrial and human resources, according to Mr. Davis.

"I was interested and somewhat shocked a few days ago to see a tabulation of the distribution of defense orders to date, not as between areas but between industrial concerns," he said. "Included in this tabulation were 11½ billions of prime contracts awarded between June 13, 1940, and February 15, 1941. This tabulation includes all types of contracts. Of this vast total between one-fifth and one-quarter had gone to two groups of companies of closely interconnected groups. And a total of 80 percent has gone to 62 companies or interrelated groups of companies. There is rich food for thought in these figures and I believe they are closely related to the mediocre success we have had in apportioning a part of this new defense industry to the States in this conference."

### Diversified agriculture—and industry for South

Dealing with the cotton problem, Mr. Davis said that the South is going to con-

tinue to grow cotton and supply the world with part of its needs.

"In both the immediate and indefinite future the South will be living with its great staple crop. It follows that cotton prices must provide a supportable return to those who produce it. We must continue with those measures which will make cotton growing remunerative, particularly in those areas and for those people with no ready alternative."

Commissioner Davis called on the South to give close attention to expanding its food resources in seeking diversification of the agricultural economy, but suggested that it remember that a diversified economy is one which combines both agriculture and industry.

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## Agricultural reaction to dwindling export markets, priorities program, and meat purchases from South America, outlined to farm group

Shock of the present loss of export markets has been so well cushioned by Government loans and payments that there is danger that changing conditions will not be observed by farmers, Samuel H. Sabin, executive assistant, Agricultural Division of the National Defense Advisory Commission, said in an address before the Western Farm Bureau, at Salt Lake City, Utah, last March 13.

### Offset for declining exports

"Our great export crops, such as cotton, tobacco, dried fruit, and grain, face a difficult period in the immediate future and a much more difficult adjustment period in meeting post-war conditions," Mr. Sabin said. "Consideration is now being given to legislation which would increase and extend the commodity-loan system until the farmer more nearly attains parity. This is eminently proper since the burden of such losses should be shared by society as a whole and not left for farmers alone to bear. However, we should remember that extension of the commodity-loan system imposes further responsibilities on agriculture to make the necessary adjustments in sup-

ply which will permit the plan to continue on a workable basis."

### **Increasing demand for certain farm products**

Mr. Sabin said that it appears unlikely that any shortages could occur in the principal farm crops. However, with increased industrial activity, demands are increasing for meat, dairy products, fresh fruit and vegetables, and a consequent lessening of supply has been observed.

### **Wheat and corn**

Touching on the immediate and long-term situation confronting the grain grower, Mr. Sabin said that ultimately a decision must be made as to whether or not the United States will stay on an export basis for grain or go solely on a domestic basis. He warned that in view of the Canadian wheat supplies there was little possibility of any export of wheat to Europe until the war is over. He pointed out that the corn situation might be aided by substantial shipments to Britain under the lease-lend bill. With regard to sugar, Mr. Sabin said that the quota system can serve to protect the producer from violent fluctuations.

Although the issuance of mandatory priorities and the allocating or rationing of many materials needed for defense industries may cause temporary shortages in farm equipment, it is believed that agriculture will not really suffer once the system is fully worked out, Mr. Sabin stated.

### **Meat products from South America**

Mr. Sabin commended the recent action taken by the National Livestock Producers Association in endorsing the purchase by the Army and Navy of canned meat products from South America.

"It is only by acts of this nature that our governmental intentions can be turned into beneficial actions. We cannot have political friends and economic foes. Such a program cannot be imposed entirely by the Government but will succeed only if the people as a whole have a neighborly interest in our South American friends."

Mr. Sabin warned that a victory by the Axis Powers would destroy the United Kingdom market for surplus American products and would result in intensified economic warfare against the interests of this country. He called on the Nation to strengthen its economic hemispheric position and to extend all possible aid to Britain.

## **Study of agricultural chemicals plays part in defense program**

Commissioner Chester C. Davis, of the Agricultural Division, has made arrangements with Secretary of Agriculture Claude R. Wickard under which the personnel of the Bureau of Entomology and Plant Quarantine will be available to the Agricultural Chemical Section of the National Defense Commission in an advisory and consultative capacity.

Under the direction of Dr. Lee A. Strong, Chief, Bureau of Entomology and Plant Quarantine, the problem of the changing situation with respect to chemicals used for insecticides and fungicides is already being studied.

Technical and statistical information on the chemicals is being studied by Dr. R. C. Roark, Chief, Division of Insecticides and Fungicides.

Among the major questions under consideration are the type, quantity, and distribution of insecticides and fungicides; location of manufacturing plants; seasonal fluctuations in business; manufacturing practices; availability of raw materials; the price situation; and the possibility of switching from one type of insecticide to another in case of shortages in seasonal materials.

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## **Fruits and vegetables for the Service and CCC**

About 7,500,000 cases of canned vegetables and 3,250,000 cases of canned fruits will be needed from the 1941 pack to meet the requirements of the armed forces of the United States and the Civilian Conservation Corps, according to the Food Supply Section of the Agricultural Division.

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## **ELDERLY RETURN TO WORK**

Federal Security Administrator McNutt reports that 2,500 workers, 65 years of age and over, are returning to work each month because of the national defense program, and are requesting that their monthly old-age and survivors insurance benefit checks be suspended during their employment.

## **Plans for a 90-day test of Army field ration in place of garrison ration**

The War Department announces that effective May 1, 1941, or before, if possible, posts, camps, and stations, with few exceptions, will be placed on the field ration system in place of the garrison ration system for a 90-day test.

Under the field ration system, book-keeping will be greatly simplified, better food and menus will be provided, and a 2-cent saving on each ration will permit purchase of fresh fruits and vegetables, special seasonings, pepper sauces, extracts, flavorings, etc., not otherwise possible.

The garrison ration is that prescribed in time of peace, and consists of 39 items of food considered necessary.

Under the garrison ration system, each Mess officer is allowed a money credit and buys food for his own organization. In a large camp there might be 50 or more Mess officers, and each one, ordering from a different menu, would make an impossible task for the post commissary through which they buy.

The field ration is prescribed for use in the time of emergency, and its components will be set by the War Department. Under the system the food itself is issued, and no money credit given. The components of the ration are as nearly like the garrison ration as possible.

During the 90-day test period, each corps area commander, through the corps area bakers' and cooks' school, will prepare a master menu for each post, camp, and station in the corps area. A proper balanced diet will be assured for all soldiers under the system.

To compensate for doing away with the money credit for each ration from which organizations have been able to build up a fund for the purchase of special items of food, an allowance of 2 cents per day per man will be allowed during the trial so such outside purchases may be made.

Based on a controlled menu, the field ration will allow uniform purchasing and mass procurement at a great saving, and still provide nutritionally balanced meals for all troops.

The field ration, like the garrison ration, is figured to supply 5,000 calories a day for each soldier.

# PRIORITIES . . .

## Builders of shipyard cranes given new form of limited blanket rating

To speed work in shipyards working on naval craft and other vital defense plants, nine builders of electric traveling cranes on March 12 were granted a general-preference order by the Priorities Division of the Office of Production Management. The order will help the crane builders to obtain prompt delivery of motors, switches, controllers, connections, finished or semifinished parts and accessories, and steel bar, plate, shapes, forgings, and castings.

Listed as General Preference Order No. P-1, the order is the first of a new form of limited blanket rating which permits the recipient to obtain preferential treatment on material specifically listed only.

E. R. Stettinius, Jr., director of priorities, said that this type of order will henceforth be rigidly restricted and will be granted only in special cases, when completion of contracts on delivery dates is not possible by other means. Such orders are not to be issued generally, and they are subject to revocation in case of abuse. A recipient of the order is required to agree in writing to its terms before it becomes effective for him.

When a recipient agrees to the terms of the present order, he may exercise a preference rating of A-1-c. This rating may be extended to subcontractors, but only for the items listed, by means of photostatic copies. All ratings issued March 12 expire on June 30. The new form of order contains exact specifications of the conditions for its application to orders for the material listed, and calls for the furnishing of information by the producer to whom it is granted.

Signed by Mr. Stettinius, the order says:

### GENERAL PREFERENCE ORDER

FOR MATERIAL FOR THE PRODUCTION OF ELECTRIC TRAVELING CRANES

*The following order is issued by the Director of Priorities in the interest of the National Defense and pursuant to authority vested in him by the Office of Production Management Regulation No. 3, dated March 7, 1941, Executive Order No. 8629, dated Jan-*

*uary 7, 1941, and Section 2 (a) of the Act of June 28, 1940 (Public, 671, 76th Congress, Third Session):*

Preference rating A-1-c is hereby assigned in favor of each producer of the above-named products to whom a copy of this order is specifically addressed.

Such rating shall extend to material of the kinds listed on Exhibit A attached hereto for delivery under any contracts or orders placed by each such producer, and which enter directly into his products for delivery under contracts or orders for the Army or Navy or for Great Britain (hereinafter called "defense orders") provided that:

(1) The quantities of material covered by such extensions shall not be greater than necessary to fulfill such defense orders.

(2) The delivery dates for material covered by such extensions shall not be earlier than necessary to fulfill such defense orders on schedule.

(3) The material covered by each such extension cannot be secured in the quantities or on the delivery dates required except by invoking such preference rating.

(4) Each such extension shall be accompanied by identification of the particular defense orders which it is to fulfill.

(5) Such producer shall, so long as this order is in effect as to him:

(a) Furnish to the Priorities Division of the Office of Production Management at least 5 days before the end of each month, his schedule of deliveries of his products for the succeeding month.

(b) Make deliveries of his products or parts as directed by the Priorities Division of the Office of Production Management if any such direction shall be given.

(c) Maintain accurate records of all extensions of such preference ratings pursuant to this order, including the name and address of each contractor, and the kinds and quantities of material and dates of delivery thereof, covered by such preference rating extensions.

(d) Furnish to the Priorities Division of the Office of Production Management at any time and from time to time such information with respect to such extensions and with respect to any material carried in stock, as it may request; and submit to an audit and inspection by representatives of the Government with respect to such matters.

This order shall not become effective in favor of any particular producer, and no extension shall be valid, unless and until such producer shall have accepted the conditions hereinabove specified by executing his acceptance upon his duplicate copies of this order, by signature of a duly authorized officer, duly acknowledged, one such duplicate to be returned to the Priorities Division of the Office of Production Management.

Each extension of such preference rating by such producer shall be effected by delivery to the contractor of a photostatic copy of such producer's other duplicate copy of this order after it bears such executed acceptance.

This order may be terminated, and the assignment of such preference rating may be cancelled, by the Director of Priorities at any time as to all producers in whose favor it has become effective, or as to any one or more

of such producers, and any specific extensions may be likewise cancelled.

Unless sooner terminated, this order and the assignment of such preference rating, shall expire on June 30, 1941.

After any termination, cancellation, or expiration of this order and the assignment of such preference rating, all existing extensions unless specifically cancelled shall continue until fulfillment of the deliveries of material covered thereby, but no additional extensions shall thereafter be made in favor of any producer as to whom such termination, cancellation, or expiration is applicable.

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## Commercial airlines will continue to receive equipment necessary to maintain present efficient service

Commercial airlines will continue to receive motors, propellers, instruments, spare parts, and material required for maintenance of efficient air transport service, William S. Knudsen, Director General, Office of Production Management, said March 13.

Mr. Knudsen said:

Recently the question has arisen as to whether the military aircraft program might tend to lower the efficiency which has been and is characteristic of air line service in this country.

It is obvious, of course, that the military airplane program is of paramount importance in the national defense effort. But it is a matter of fundamental policy, determined when civilian aircraft priorities were established, that the air lines shall continue to receive delivery of the motors, propellers, instruments, spare parts, and material necessary for maintenance and overhauling operations.

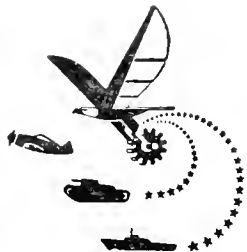
As for airplanes, during the year 1940, the domestic air lines acquired new planes in a number sufficient to provide for obsolescence, replacements, and regular scheduled operations.

At the present time the air lines are at the highest state of efficiency, with the greatest carrying capacity in the history of air transportation in this country, which is now on a scale that has never been approached as to quality or coverage in any other country in the world.

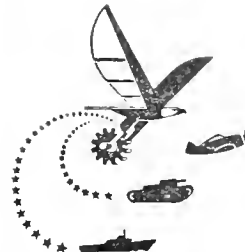
The Office of Production Management, the military services, and all other interested departments of the Government are convinced of the necessity of maintaining the existing quality of air transportation.

Of the air line pilots and copilots in this country, many of whom are Military Reservists, less than 3 percent of the pilots or captains, and less than 8 percent of the copilots or first officers, have been called for military service, and trained replacements have been available for every man transferred from civil to military service.





# DEFENSE



OFFICIAL WEEKLY BULLETIN OF THE OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRODUCTION MANAGEMENT, NATIONAL DEFENSE ADVISORY COMMISSION, DEFENSE HOUSING COORDINATOR, DEFENSE COMMUNICATIONS BOARD, COORDINATOR OF HEALTH AND WELFARE, NATIONAL RESEARCH COUNCIL, NATIONAL DEFENSE MEDIATION BOARD  
COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS

WASHINGTON, D. C.

MARCH 25, 1941

VOLUME 2, NUMBER 12

## Plant sites to be approved by new committee

Appointment of a plant site committee to review and approve proposals for location by Government agencies of additional plants or facilities required for national defense was announced March 18 by the Office of Production Management.

Recognizing the interest of purchasing, production, labor, and agriculture in the problem of plant site location, Mr. Knudsen and Mr. Hillman appointed the following members of the Office of Production Management organization to the new plant site committee:

Donald M. Nelson, Director of Purchases, *chairman*; Clifford Townsend, special adviser on agricultural and labor matters; Eli Oliver, special assistant on labor relations; E. F. Johnson, chief, aircraft, ordnance, and tools branch of the Production Division; S. R. Fuller, chairman, Production Planning Board.

### Decentralize industries

The committee will review and approve proposals made by Government agencies. In reviewing proposed plant locations from funds hereafter to become available under the new production program, the committee will, insofar as feasible, facilitate geographic decentralization of defense industries and full employment of all available labor.

Initiation of projects for new plants and initial suggestions for site locations will continue to be made by the Army and Navy—the legally authorized contracting agencies. The plant site committee of the OPM will work in close cooperation with the plant site boards of the Army and the Navy.

## Put every machine tool to work—consult regional offices, Mr. Knudsen urges

William S. Knudsen, Director General, Office of Production Management, on March 18 issued the following statement:

Nothing short of the practical limit of our available productive capacity is sufficient for the defense job we have now undertaken.

It is imperative that prime contractors subcontract more of their work wherever such procedure will hasten deliveries. Every manufacturer, large and small, who has suitable machinery that is now idle, or that can be made available, must be enlisted in defense production.

In his budget message to Congress at the beginning of this year, President Roosevelt estimated that we had a \$28,-000,000,000 defense program.

Whatever sum the Congress appropriates to carry out the policy of increased assistance to those nations whose defense is essential to the defense of this country will be in addition to that.

The magnitude of the job is hard for anyone to grasp. It is indicated, however, by comparison, for instance, with the estimated wholesale value of all passenger cars and trucks turned out by the automobile industry last year—\$3,184,959,808.

Of necessity, initial orders had to be placed with companies having readily available facilities together with managerial and engineering staffs and the experience necessary to translate contracts of such size into equipment, manpower, and materials.

That every available plant may now be brought into the program swiftly and systematically, I should like to make this suggestion to every factory owner who believes he is equipped to handle a defense contract or subcontract: Write or

go to the regional office of the Defense Contract Service at the Federal Reserve Bank or branch bank which serves the region in which you live. Your own bank can tell you the location of this Federal Reserve Bank or branch bank.

The Defense Contract Service has been established by the Office of Production Management, in cooperation with the Federal Reserve System, to assist the Army and Navy in bringing every available manufacturing facility into the program.

### Information clearing house

It will serve as a clearing house of information for manufacturers seeking prime or subcontracts, for district procurement officers whom the Army and Navy have had in the field for many years, and for prime contractors who need to subcontract more of their work to speed up deliveries.

The owners of plants that have usable basic machine tools and other equipment

(Continued on page 9)

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# LABOR . . .

## Labor-industry representatives urge increased in-plant defense training

An OPM conference on in-plant training, March 17 and 18, attended by 75 leading employers and union representatives in the metal trades, adopted a series of findings which were drawn up by a joint management-labor committee under the chairmanship of Clinton Golden, regional director of the Steel Workers Organizing Committee (CIO).

The committee recommended that:

1. There be an extension of apprenticeship in accordance with the standards of the Federal Committee on Apprenticeship; that shortening the period of apprenticeship is undesirable and unnecessary; that there be promotion based on merit, and credit given for past experience wherever special ability is demonstrated.

2. There be an expansion of the up-grading program and training of needed production specialists, and that standards for promotion from one job to another are an inherent factor in up-grading.

3. There be an expansion of the supervisory training program within defense industries.

4. The basic premise for all training-within-industry is that management and labor must cooperate locally in the organization of training.

5. (a) The general responsibility for training within each industrial plant be delegated to some one individual in the organization.

(b) The primary defense contractor with board training experience has a definite responsibility to assist the smaller, less experienced plants in setting up in-plant training, particularly in the plants of subcontractors.

(c) The primary contractor assistance can be implemented through the medium of the district organization of the Training-

within-Industry Section of the Office of Production Management, and through organized methods of group training of executives, training-coordinators, and instructors in the smaller defense plants.

6. There should be determination of probable labor needs in advance and prior to formulation and institution of any training program. The formulation and institution of any training programs should be closely related to estimated labor needs.

7. The Labor Supply and Training Section of the Office of Production Management should give consideration to the greater integration of the functions of the seven Government agencies engaged in labor supply and training.

8. There be established in each national defense production unit, a definite policy of promotion from within to train effectively through up-grading.

9. It is suggested that the Training-within-Industry Section of the Office of Production Management appoint a research committee to study and make recommendations regarding available labor supply in relation to training needs, and means of implementing more effectively this training.

10. The conference endorses the work of the Training-within-Industry Section of the Office of Production Management, including up-grading, and supervisory training and the work of the Federal Committee on Apprenticeship; encourages further development of the program; and urges management and labor groups in defense industries to give full cooperation and participation in this program.

### Conference speakers

The opening session of the in-plant training conference was presided over by Secretary of Labor Frances Perkins.

Floyd W. Reeves, executive assistant to Mr. Hillman, was permanent chairman of the conference. Addresses were delivered by William S. Knudsen, Director General, and Sidney Hillman, Associate Director General, of OPM; A. F. Hinrichs, Acting Commissioner of Labor Statistics; Channing Dooley, Director, Training-within-Industry Section, Labor Division, NDAC; William F. Patterson, Chief of Apprenticeship, Department of Labor, and Under Secretary of War Robert P. Patterson.

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## Replacements for farm workers

Federal Security Administrator McNutt asked farmers and workers to register with State Employment Offices so that replacements may be obtained for thousands of (farm) workers formerly available for agricultural jobs who now are working in industrial plants producing defense material.

"If there is close cooperation \* \* \* it is anticipated there will be no serious difficulty in obtaining a sufficient number of workers to put in, care for, and gather this year's crops \* \* \*. If the present trends continue \* \* \* before the end of the summer farmers may find it difficult to get the workers they need," Mr. McNutt stated.

## OFFICE FOR EMERGENCY MANAGEMENT

AGRICULTURE DIVISION OF THE ADVISORY COMMISSION: Chester Davis, *Commissioner*.

CENTRAL ADMINISTRATIVE SERVICES: Sidney Sherwood, *Director*.

CONSUMER DIVISION OF THE ADVISORY COMMISSION: Harriet Elliot, *Commissioner*.

COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS: Nelson Rockefeller, *Coordinator*.

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

HEALTH, WELFARE, NUTRITION, RECREATION, AND RELATED ACTIVITIES: Paul V. McNutt, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

NATIONAL DEFENSE MEDIATION BOARD, Clarence Dykstra, *Chairman*.

NATIONAL DEFENSE RESEARCH COMMITTEE: Dr. Vannevar Bush, *Chairman*.

PRICE STABILIZATION DIVISION OF ADVISORY COMMISSION: Leon Henderson, *Commissioner*.

STATE AND LOCAL COOPERATION: Frank Bane, *Director*.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF PRODUCTION MANAGEMENT:

### COUNCIL

William S. Knudsen, *Director General*.  
Sidney Hillman, *Associate Director General*.  
Secretary of the Navy, Frank Knox.  
Secretary of War, Henry L. Stimson.  
*Secretary*, Herbert Emmerich.  
*General Counsel*, John Lord O'Brian.

LABOR DIVISION: Sidney Hillman, *Director*.  
PRIORITIES DIVISION: E. R. Stettinius, Jr., *Director*.

PRODUCTION DIVISION: John D. Biggers, *Director*.

PURCHASES DIVISION: Donald M. Nelson, *Director*.

RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

# DEFENSE

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## Establishment of a Labor Division in the Office of Production Management

An order establishing a Labor Division in the OPM and prescribing its duties and functions, approved by the President March 18, follows:

*Whereas* Executive Order No. 8629, dated January 7, 1941, in creating the Office of Production Management provided that in addition to certain specified functions, the Office of Production Management shall "perform such other functions as the President may from time to time assign or delegate to it;" and said order provided that in addition to the Divisions of Production, Purchases, and Priorities, there shall be "such other operating divisions as the President may from time to time determine"; and

Finding it essential in the interest of expediting the defense program with respect to the national emergency as declared by the President to exist on September 8, 1939, to conduct within the Office of Production Management certain functions relating to labor requirements and relations;

*Now, therefore*, subject to the approval of the President, it is ordered that—

1. There shall be within the Office of Production Management an operating division to be known as the Labor Division, at the head of which shall be a Director of the Labor Division appointed by the Office of Production Management with the approval of the President.

2. The Director of the Labor Division shall perform and discharge the following duties and responsibilities, working in close cooperation with, and utilizing to the maximum extent compatible with efficiency, all appropriate departments and agencies of the Federal Government:

a. Ascertain labor requirements for national defense;

b. Develop programs and coordinate efforts for assuring an adequate and trained labor supply for defense purposes;

c. Advise with respect to problems of standards of work and employment in defense industries;

d. Assist in the prevention and adjustment of any labor controversies which might retard the defense program; and

e. Advise and collaborate with the other divisions of the Office of Production Management on all matters affecting labor.

3. The Director of the Labor Division is authorized to establish such organization for the Division as he may deem

necessary to the adequate execution of his functions and responsibilities including the employment of personnel, but he shall obtain the approval of the Director General acting in association with the Associate Director General in the creation of the principal subdivisions of the Division.

4. The Director of the Labor Division shall exercise the authorities, duties, and responsibilities assigned to him herein subject to the jurisdiction and control of the Director General acting in association with the Associate Director General, and he shall make such regular and special reports of his actions pursuant to this regulation as may be required by the Office of Production Management.

5. The Director of the Labor Division shall have authority to designate an Assistant or Deputy Director to serve as Acting Director of the Labor Division in his absence or inability to act, subject to the approval of the Director General acting in association with the Associate Director General.

WILLIAM S. KNUDSEN,  
*Director General.*

SIDNEY HILLMAN,  
*Associate Director General.*

HENRY L. STIMSON,  
*Secretary of War.*

FRANK KNOX,  
*Secretary of the Navy.*

Approved: JOHN LORD O'BRIAN,  
*General Counsel.*

Attest: HERBERT EMMERICH,  
*Secretary.*

Approved:  
FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,  
MARCH 18, 1941.

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## Spreading of defense work discussed in Chicago

In an effort to expedite the spreading of defense work into every available factory in the Middle West, the Defense Contract Service held a regional meeting of national and field officials of the Service at Chicago on Wednesday, March 19.

This was one of a series of such regional meetings, the first of which was held in Washington recently. Arrangements for others will be announced soon.

## New plan will coordinate defense training with specific employer needs

Defense training courses will be given priority in the Nation's vocational schools, according to a new plan announced March 21 by Sidney Hillman, Associate Director General of the Office of Production Management. Under this new policy, local representatives of the United States Employment Service will recommend to local schools the types of defense occupations for which workers will be trained together with the number of persons to receive this training.

The plan has been approved and signed jointly by John W. Studebaker, United States Commissioner of Education, and Ewan Clague, Director of the Bureau of Employment Security of the Social Security Board.

Procedures for this new system, developed under the direction of Federal Security Administrator Paul V. McNutt, provide defense training for occupations certified by the National Defense Advisory Commission.

### Training for specific needs of locality

Classes for fitting workers into defense occupations will be established on the basis of facts known to the local State public employment offices. Training methods will be devised to meet the specific defense labor needs of any locality where shortages may be arising. The underlying purpose of this new plan is to foster an even closer relationship than now exists between defense training and the known need for workers in defense industry, city by city, and State by State.

The determination of the immediate labor needs of defense employers is obtained by local public employment offices. The determination of the long-range needs in defense areas and defense industries is the function of the United States Bureau of Labor Statistics, working in cooperation with the United States Employment Service and other Government agencies.

### Labor and management on advisory committees

This technique recognized that the authority for the operation of vocational schools is vested in State and local boards. These boards have already established advisory committees for training on which labor and management organizations are equally represented.

# PRICE STABILIZATION . . .

## Change in procedure for used-tool dealers; catalog to be compiled for contractors

A complete catalog of all used machine tools which are for sale anywhere in the United States will be compiled as a result of changes in the method by which tool dealers report their sales, purchases, and inventories under the second-hand machine tool price schedule, Leon Henderson, Commissioner of Price Stabilization, National Defense Advisory Commission, announced March 18.

Defense contractors who need machine tools will be able to inspect this catalog in the Machine Tool Section of the Production Division, Office of Production Management, and will have the help of officials of that Division in getting in contact with dealers who have the tools they need.

### Procedure for tool dealers

To make this possible, that section of the used-machine-tool price schedule which relates to the filing of reports by dealers has been simplified, Mr. Henderson said. The change was explained to representative leaders in the industry at a conference in Washington with officials of the Price Stabilization Division and the Production Division.

Previously, dealers were required to render complete weekly inventory and monthly sales reports to the Price Stabilization Division. Hereafter, the dealer need report each tool in his possession only once—either now, as part of his inventory, or when he buys it. If he sells it, the sale also must be reported.

### March 25 deadline

By March 25, all dealers must submit reports on machines bought or on hand as of March 15. These reports are being filed in duplicate, and copies will be sent by the Price Stabilization Division to the machine tool section of the Production Division.

Since there will be a separate report on each tool, and since this report will give a full description of the tool, including its price and the name and address of the dealer who has it for sale, the Production Division will thus have a com-

plete list of all the used tools held by dealers and will be able to classify these tools according to type.

Dealers have been asked to attach a picture of each tool to the report whenever possible, in order to make the file complete.

### Two-fold purpose

This procedure, Mr. Henderson explained, means that two ends are accomplished by the filing of one report—the Price Stabilization Division gets the data it needs in order to police prices, and the Production Division gets the information it needs in order to help defense contractors find where they can buy tools they need.

### All floor-type machines included

Dealers were also notified of a change in the type of machine on which reports must be made. Previously, no machine selling for less than \$500 had to be reported. Hereafter, all floor-type machines must be reported regardless of price. Low-priced floor-type machines are much in demand by technical schools, and the Production Division now will be able to complete its file on such machines. This will not only enable it to help the schools get the tools, but will also help the dealers to dispose of them.

Mr. Henderson said that he has been gratified by the cooperation of the used-machine-tool dealers, not only in connection with the making of reports but also in their willingness to abide by the price ceilings.

New forms for the reports have been printed and are being distributed to dealers by the Price Stabilization Division.

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## Defense broadcast tonight

"Defense in action," the on-the-spot report of progress along the Nation's defense production lines, will go on the air over a Nation-wide network tonight March 25, 9:30 p. m., E. S. T.

This program, the third in a series, deals with the Training-Within-Industry

## Cattle hides sufficient— price increases unwarranted

Leon Henderson, Commissioner of Price Stabilization of the National Defense Advisory Commission, asserted March 17 that increases of 1½ to 2 cents which have taken place in packer hide prices and hide futures since the middle of February appear to be speculative and not warranted by actual supply conditions.

Available reports indicate that as of January 31 the total visible supply of cattle hides and cattle-hide leather amounted to 13,850,000 pieces, compared with 13,350,000 a year ago, he pointed out. Moreover, domestic cattle slaughter is higher than last year and imports from October through January were the largest in many years, averaging more than 500,000 a month.

"These figures," said Mr. Henderson, "do not indicate any present danger of a shortage of hides."

### Army shoe orders

"The net additional demand for leather due to Army shoe orders is only a small percentage of total leather consumption and cannot cause any difficulty in supplying normal leather requirements."

"With only the United States and Great Britain now active in the Argentine markets, export supplies there at reasonable prices should be ample."

"While some temporary shipping difficulties have been encountered, it is known that the Government has this situation under close study and will undoubtedly take steps to correct any serious problems in this respect."

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program. It is produced by the Office for Emergency Management and the Mutual Broadcasting System.

The broadcast will open in Washington where Mr. Channing R. Dooley, director, Training-Within-Industry Program, Labor Division, OPM, will deliver a brief address on "Training for Defense."

Mutual's microphones will then swing about the country picking up in turn New York City, Buffalo, N. Y.; Paterson, N. J.; Denver, Colo.; and Cleveland, Ohio.

## Price schedule for secondary aluminum and scrap issued by Mr. Henderson

A price schedule setting ceiling prices for aluminum scrap and secondary aluminum, pegged to current prices for virgin aluminum, was issued March 24 by Leon Henderson, Director of the Price Stabilization Division, National Defense Advisory Commission.

High price levels attained by aluminum scrap and secondary aluminum during the past month made this action necessary, Mr. Henderson explained.

"This price schedule will be fully enforced," he said. "The powers of the Government to place compulsory orders, to condemn or requisition properties, to issue priorities, and to use other powers to carry out the defense program will be exerted to the utmost against any person whom we find to be disregarding these selling prices."

### Inflationary prices higher than for virgin metal

Prices of aluminum scrap and secondary aluminum have recently been subjected to serious inflationary pressures, Mr. Henderson asserted, both because of the failure of the sources of virgin aluminum to meet current demand—especially the demand of fabricators making items for civilian needs—and because of the recent issuance of a priorities order restricting the use of virgin aluminum to defense purposes.

Under normal conditions, he continued, prices for secondary aluminum do not exceed prices for virgin aluminum. Recently, however, the Price Stabilization Division has received reports of sales of aluminum scrap reaching prices as high as 32 cents a pound—almost double the price of the virgin metal.

"Such prices are not required to draw out aluminum scrap," Mr. Henderson said. "They are merely the results of a speculative demand which has built up inflationary prices. There are supplies of scrap, and these supplies will be tapped at reasonable prices, once it is understood that the Government will not tolerate prices above a fair maximum."

### Allowance for reasonable profit

The new price schedule establishes two ceiling prices for aluminum scrap. The lower ceiling applies to the first sale of aluminum scrap from the maker to any other person. The higher ceiling applies to any sale of aluminum scrap thereafter by any dealer or other person to any

smelter, foundryman, fabricator, or other dealer. The two ceilings are fixed f. o. b. the point of shipment and will allow the dealer a margin of 1½ cents per pound on clippings, borings, and turnings, and 1 cent per pound on other types of aluminum scrap.

The maximum prices for secondary aluminum ingot are applicable to any sale or purchase of secondary aluminum ingot by any person. Like the scrap schedules, these prices are made f. o. b. the point of shipment. They leave a spread of 3 to 4 cents per pound for the processors' costs and profits.

"These ceiling prices," Mr. Henderson stated, "will give ample allowance for reasonable profit to both dealers and smelters. However, recent demand for secondary aluminum indicates that there may be some effort on the part of manufacturers and fabricators to purchase scrap direct from dealers, thus circumventing the smelter. To forestall this movement, the schedule requires dealers to report any sales which they make to any person other than a smelter."

### One exception

The new schedule will become effective immediately in a market of already inflated prices. Consequently, a method is provided by which smelters and dealers who have acquired inventories at prices above the new maximum prices to meet previously arranged firm commitments for sales above ceiling prices may secure an exception from the price schedules in order to carry out these firm commitments on the original terms. However, it should be noted that this exception will not be permitted beyond the amount of inventories already acquired either by the smelter or his dealer to carry out the commitment. With this one exception the maximum prices set forth in the new schedule become immediately and absolutely effective regardless of any preexisting contracts.

This schedule is the second to be issued by the Price Stabilization Division. The first schedule, issued February 17, established ceiling prices for second-hand machine tools, relating the ceiling prices to the prices of equivalent new machine tools. "To date," Mr. Henderson stated, "reports seem to show 100 percent compliance."

Mr. Henderson added that schedules are imminent in iron and steel scrap as

well as zinc scrap, and that apparently unwarranted price increases in various other industries have been reported during the past few days.

"Should these movements continue, price ceilings will have to be established in these industries," he said. "We hope that this action will not be necessary, but if it is, we are ready to enforce reasonable price limits."

### Reserve pool

Producers of aluminum (not including fabricators) are required to set up a reserve pool of the metal by setting aside 1 percent of production scheduled each month. From this reserve the Priorities Division can make allocations to meet emergencies, and such orders will take a rating of B-1, thus being placed lower than any orders in class A.

### Miscellaneous ratings

Orders for repair or replacement parts for existing apparatus which is needed to preserve essential services and to maintain maximum production will take a rating of B-2. A rating of B-3 will be applied to orders for products essential to the protection of public health and safety.

A rating of B-4 will apply to orders for standard apparatus which cannot be redesigned to use substitutes for aluminum without serious disruptions and for which there is substantial use in defense channels.

Consumers requiring less than a total of 1,000 pounds of aluminum a month will temporarily receive a rating of B-5 on their orders, this rating being subject to revision.

Customers for aluminum who produce articles in which the metal does not exceed 2 pounds per \$100 of final sales value of the article will get a B-6 rating. This rating is applied in an effort to keep a relatively large number of workers employed through the use of relatively little aluminum.

A rating of B-7 will apply to products in which no reasonably satisfactory substitute for aluminum is available.

The lowest rating given, B-8, will apply to products in which a reasonably satisfactory substitute for aluminum is available, or can be made available.

One section of the order provides that users of aluminum with preference ratings from B-2 to B-8 inclusive shall, for the time being, receive no more than stipulated percentages of the average 1940 shipments which they obtained from the same producer for corresponding purposes. These percentages, ranging from 80 percent to 10 percent, are set forth in the order.

The producers affected by the order will be required, as in the past, to submit their orders to the Priorities Division once each month. This requirement now extends to the secondary smelters.

The action taken March 22 follows a memorandum sent to Mr. Stettinius by Dr. E. M. Hopkins, chairman of the Minerals and Metals Group of the Priorities Division, in which the new form of control is recommended.

# PRODUCTION . . .

## New conservation unit will direct work in field of strategic metals and materials

The Office of Production Management on March 23 announced that it had established a unit to direct the conservation, reclamation, and substitution of strategic metals and materials essential for defense.

Robert E. McConnell, engineer of mines and former president and director of various research, investment, and development companies, heads the new unit. It will be known as the Unit of Conservation in the Materials Branch of the Production Division.

Mr. McConnell will encourage and direct private industry and others to carry on research in this field and to apply lessons already learned by England and various agencies of this Government. Planning ahead for the requirements of the defense program, he will study the effect suggested substitutes would have on the raw materials situation.

Keeping reclaimed strategic metals flowing smoothly into consumption by the defense industries will be among the problems with which Mr. McConnell will deal.

An effort will be made to hold to a minimum the economic dislocations which may result from the adoption of substitutes.

A large number of private companies are now making voluntary substitutions and savings of strategic materials. For instance, the telephone industry has developed means of conserving aluminum, nickel, and zinc and, to some extent, magnesium. Steel instead of aluminum dial wheels are being used on new telephones, and phones equipped with less nickel and zinc are being tried out.

Study is also being given to the possibility of making savings of manganese in the steel industry.

Rubber and tin, themselves vital defense materials, synthetic rubber and copper are being tried out as substitutes for such uses as aluminum in refrigerator ice trays.

A number of aircraft builders are making tests to see how and where plastic materials may be used in place of metals, such as aluminum, in cowl covers, engine baffles, and flooring.

Satisfactory substitutes for tungsten are possible of development. Tungsten is an essential alloy for certain steels.

Possibilities of plastics are being explored by automobile manufacturers and by the makers of refrigerators, washing machines, vacuum cleaners, and other household equipment.

E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management, has urged all manufacturers who have not already done so to give attention to the development of plastics. He made this appeal February 14 in the interest of conserving metals such as aluminum, magnesium, zinc, and nickel.

Miss Harriet Elliott, Consumer Commissioner, National Defense Advisory Commission, has also urged consumers to buy substitutes for aluminum household products "until aluminum production becomes adequate for both military and civilian needs." These substitutes include enamelware, flameproof and heatproof glass, cast iron, and earthenware.

Mr. McConnell has had previous experience with problems arising from the organization of industry for defense. He was an officer in the Naval Reserve, in charge of the Navy's nitrates section, during the World War.

The chief of the new unit in the Office of Production Management formerly was president of Mayflower Associates, an investment company dealing in the search for and development of raw materials deposits; the Hazeltine Corporation, a radio research company; the Centrifugal Pipe Corporation, and the Pilgrim Exploration Corporation. He formerly was a member of the firm of Foster, McConnell & Co., and a director of numerous corporations, including Rhokana Corporation, Ltd., one of the largest copper companies in the world, operating in Rhodesia; the Cypress Mines Corporation, Esterbrook Steel Pen Co., Simunons Co., and Fohs Oil Co.

Mr. McConnell was born in Colorado and took his degree as an engineer of mines from Columbia University in 1910.

He is now a trustee of the American Museum of Natural History.

## Prime contractors playing orders "too close to vest"

An appeal to manufacturers to enlist all available facilities in defense production through the Government's new Defense Contract Service, was made March 22 by Peter R. Nehemkis, Jr., chief of the special assignments section of the Defense Contract Service, a branch of the Division of Production, Office of Production Management.

In an address at Memphis, Tenn., before the State Defense Councils of North Carolina, South Carolina, Tennessee, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, Kansas, Oklahoma, and Texas, Mr. Nehemkis said: "Prime contractors are still playing defense orders 'too close to their vest' to put production into high gear.

"Until we mobilize the men and machines of the medium and small shops—even the smallest garage and repair shops on the back streets and alleys—the industrial throttle will only be half open.

"I can confidently state that the Office of Production Management is convinced that we must accomplish in the next few crucial months a widespread farming-out of defense orders if we are to meet our stated obligations to the democracies of the world.

"We want this to be done on a voluntary basis by the prime contractors. That is the democratic way."

### Record plant expansion

Mr. Nehemkis said that a capital investment of \$2,138,054,806 has been made in 784 new plants since June 1940, and that this represents the greatest expansion of industrial plant capacity in the Nation's history.

Mentioning that defense contracts placed from June 1940, through March 8, 1941, aggregated more than 12 billion dollars, Mr. Nehemkis said that this is "only the first down payment on the bill of freedom."

### Germany's investment

He said it has been estimated that Germany's present military establishment cost 90 billion marks; that Nazi Germany is spending probably 60 percent of her present national income for her war effort; and that Great Britain is currently spending about 50 percent. To date, he continued, United States defense expenditures represent less than 10 percent of this country's current national income.



## Reuther plan, production, strikes, and planes for Britain—Mr. Knudsen's press conference

Excerpts from the March 19 press conference of William S. Knudsen, Director General, OPM, follow:

**Q.** Can you tell us whether you have accepted or rejected the Reuther plan, or accepted it in part?

**A.** Well, we had him in here and talked to him you know. It was claimed that he could make fixtures to standard machines, but that proved to be slightly incorrect in the case of Cadillac. We gave him the figures on Cadillac and they wanted to go into the shop as a union committee and try to design fixtures for the present machinery and that was putting the master mechanic out of the job. We had to stall on that one and say that it couldn't be handled. He agreed to get us drawings and come down and study them—a set of drawings for one motor, to look over and get into a little closer. When he made the plan, I don't think he had any drawings of a motor—that is the way I understand it today.

**Q.** That was only on motors—he wasn't talking about aircraft frames?

**A.** He wasn't talking about that—he was only talking about motors. You see on the aircraft frames, the automobile plants are in that now. You know we have the bomber program—with three big companies, prime contractors subcontracting out, making B-25's, B-26's, and B-24's.

**Q.** Is Cadillac the only place where his figures were wrong or is that the only one you discussed.

**A.** The only place I got any. The only one he submitted.

**Q.** Could you say anything about the Cadillac figures, Mr. Knudsen?

**A.** Well, Cadillac is on parts business for Allison Motors—they use 15 percent of old equipment and 85 percent outside, so Mr. Reuther said it didn't check very well in that case.

**Q.** What did he claim on that—did he make any claim that you could use a greater percentage?

**A.** No. Of course, it is not up to me to find fault with another fellow's plan. If he can't explain it to me, he's got to go back and find out more and explain it over again, but as far as I could go at the time I couldn't see that there was any possibility of going very far on that. Now, there are certain parts, but he is

building a plant and he will make certain parts in his own plants. Why shouldn't he see—Ford is making Pratt and Whitney motors. He will make a certain number of parts in his own plant—why shouldn't he? But to say that you can take the whole motor and set it up for automobiles—that can't be done. Now, I don't care who says so; I happen to know that.

**Q.** Well, in a sense, you are using Reuther's plan in a sort of modified way, aren't you?

**A.** Well, that's as old as Moses to use what equipment you can.

### Mediation Board

**Q.** Mr. Knudsen, the President announced today his 11-man Mediation Board. Can you comment on it?

**A.** Well, this Mediation Board is going to take over some of the settlement of labor disputes that Hillman and I have been grappling with for the last month or 6 weeks. I think it's very well to get a Board that has time—we have a lot of other things to do.

**Q.** Will you drop out of the picture, then, as far as trying to settle these strikes or controversies is concerned?

**A.** I don't know. If the Board asked me to do something I suppose I have to do it. Certainly, I am going to keep interested in keeping plants running.

### Farming-out

**Q.** When do you expect to get this farming-out picture, Mr. Knudsen? You are talking about getting the complete picture.

**A.** Do you mean all the figures together? I suppose it will take another month—it's a big job.

**Q.** When you do get that picture, could you say anything about what you are going to do, then, to get this production spread out a little further than it is?

**A.** Yes, every prime contractor today has got a subcontractor and lots of them. Now, don't get away from that. I know Westinghouse has got a hundred because we have a list of them. What we propose to do is to take the prime contractor that has 50 and say, "Can you get 50 or 100 more? Here is a place you can find such and such a machine," and then get him to go out and use it.

**Q.** Suppose the prime contractor says,

"Well, I deal only with these particular fellows: I have been dealing with them all the time and I only want to deal with these particular men."

**A.** That would be a very legitimate claim as long as he could handle it, but the minute we give him so much business he can't handle it, then he has got to listen to us and I'm sure he will.

**Q.** If he doesn't listen to you?

**A.** They are very nice—we don't have trouble. If I could find a good subcontractor and call up anybody and say, "Here's a man that's got such and such equipment. Can you use it?" In nine cases out of ten he will say, "Sure." Now, you take some of the airplane fellows, like, for instance, Consolidated. You see he's got 33 people on the road, following up subcontractors.

**Q.** The reason I ask you those questions is because there is a great deal of pressure behind this and legislation is being introduced to bring this farming out into a little greater application.

**A.** How can you legislate that?

**Q.** A bill was just introduced the other day to create a board to handle this.

**A.** I haven't heard anything about that.

**Q.** Senator Kilgore.

**A.** Well, I hadn't heard anything about that, but I think it's better to do it in a voluntary way than to have legislation for it. I don't think legislation can make a man efficient.

### February engine production

**Q.** Mr. Knudsen, how was engine production in February?

**A.** February deliveries were 3,470 engines (later corrected to 3,127).

**Q.** What was the previous month, sir; that is, January?

**A.** I haven't got that here, but we are up 300 or 400 engines.

### Murray steel plan

**Q.** Is there anything new on Mr. Murray's steel plan?

**A.** Our Planning Board has got it; they are studying it.

### Tank production

**Q.** Mr. Knudsen, how is the tank production program coming along now?

**A.** Tank production is coming along all right on the little tank—the light tank—13-ton; and on the medium tank we expect to get a few in April; but there won't be any real production until July.

**Q.** Well, now, I noticed there was a speech the other day by some official saying only one of the factories could be

tooled up because they didn't have the machine tools.

A. That is not so; we will tool up promptly; we will get some equipment.

Q. Is the reason you are not getting any medium tank production now due to the fact that a lot of the equipment and machinery had to be turned over to the airplane manufacturers?

A. Well, you see, we had to follow what the General Staff says in the priority ratings; and in some cases the Navy and some of the airplanes had to get some machines before they could be put to tanks, but we are trying to allocate so that everybody gets something.

### Denies report of faulty planes

Q. Will you comment on these reports that the planes we have been sending to Britain have had to be rebuilt or redesigned or re-equipped.

A. I could do that in two words—stuff and nonsense.

Q. You would say, then, that our planes are just as good as the ones they are using?

A. Well, I am no flyer, Mister, but they keep on taking them, so there can't be much the matter with them.

### Ships

Q. Are you doing anything on ship construction, Mr. Knudsen?

A. Seven yards have been laid out to build merchant ships. I haven't got the location in my mind, but Admiral Land is the fellow who is handling that. You know, we have to build 260 ships of this standard construction and they are all being parcelled out so that we can make the parts as far as possible inland and ship them to the coast to have them set up and welded. That applies to the ship itself and to the propulsion equipment—boilers, engines, and auxiliaries.

Q. In other words, you are trying to set up the production of the parts that go into them?

A. That is right. You remember that last month I went over to the President and we got money for the equipping of these present yards for ways and things and sheds.

Q. Is it going to be necessary to augment that program considerably?

A. Well, I don't know, but I imagine when the Bill goes through we will have an additional program. I don't know that yet.

### Planes for Britain

Q. That 260 includes some of the British?

A. 60 British and 200 American.

Q. You are standardizing aircraft ships. Are you standardizing all other war weapons so they will be interchangeable—tanks for example?

A. Yes, sure.

Q. Mr. Knudsen, have there been any other steps comparable to this ship matter in which the contracts of the United States and Great Britain have been consolidated for production purposes?

A. Well, you might call it that because the British planes go through now as if it was all one lot. We get them at the end of the dock and ship them to Great Britain. So we have hopes that we will still progress. The more stuff we make the more we will try to standardize. Now, if we have to help them with stuff that fits other dimensions over there, we will have to try to do that. That will be held to a minimum.

### Strike situation

Q. Mr. Knudsen, when you testified before the House Judiciary Committee you indicated that the strike situation—the defense strike situation wasn't giving you much concern.

A. Well, I was a little premature. That is what I was coming to; we were all right up to about 6 weeks ago—we have had plenty since.

Q. Can you say anything about as to what it's doing in the way of bottle-necks?

A. Well, of course we have them every day—small ones and big ones. The worst two we have right now is of course Chalmers and International Harvester and Mr. Hillman is certainly working night and day trying to get them settled. We settle some every day but we generally get a couple more. I think the President's speech on Saturday night will have a good deal of influence, too, because manifestly we can't have this going on all the time.

Q. Aren't the strikes in Vanadium and Universal Cyclops having a pretty serious effect on aircraft and motor production?

A. Well, vanadium, of course, is a tool steel and we have to go in and get some more out.

Q. Have you changed your idea about some kind of legislation being necessary?

A. Well, I sent a memorandum up to the House Committee and I said I still don't think there ought to be legislation against strikes because I don't think it would do any good, but I did want to support the cooling-off period, see? Ten days for OPM and 30 days after decision. I thought that would help and no stoppage until the 30 days had gone by and

also no strike unless there was a ballot of all the workers. I said that and I still feel that.

Q. And you still feel that you can't legislate against strikes?

A. I don't see how you can.

Q. Has there been any pressure from any source—Navy or any other source—to take over the Allis-Chalmers strike and operate it under Government supervision?

A. No comment.

Q. Any pressure for the Army to take over at Wright Field?

A. Well, that is theirs now.

Q. Any possible taking of Vanadium or Cyclops?

A. Listen, I don't think that is up to us to worry about—If we can get a batch of work it is better to work on that score.

Q. Well, you have to have the steel—those two types of steel.

Q. I thought that authority had been delegated to you, sir, in the Executive order in taking over plants—that was an OPM function.

A. Yes, so what?

### Contemplated production under \$7,000,000,000 program

Q. Mr. Knudsen, do you expect to be able to produce all the equipment contemplated under the Seven Billion Aid to Britain bill, in the same period as the Twelve Billion Program?

A. We will have to straddle that, I think. I don't know yet until I get the schedule. Of course, the time element is part of the lend-lease bill—we have to recognize that and do anything we can do.

Q. You still feel the first program can be accomplished in your original period in 1942?

A. I think so, I said the last half rather than the first of July. It looks as if that can be handled.

Q. But you don't know yet whether you can also handle the additional 7 billion dollars.

A. But we must handle some of it.

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### Four strategic "corners" of United States get new airports

Increased emphasis on airport construction and improvement pushed the total of WPA funds allotted to national defense projects during this fiscal year past the quarter-billion dollar mark by March 1, Howard O. Hunter, Acting Commissioner of Work Projects, announced March 17.

## Mr. Knudsen

(Continued from page 1)

should tell their regional office of the Defense Contract Service about them.

These regional offices will put together and expand the many valuable plant facility surveys already undertaken by national, State, and local organizations.

They will tell prospective contractors and subcontractors what the Army and Navy want to buy; whether the plant facilities available can handle prime or subcontracts; where prime contractors can find needed subcontractors, and where potential subcontractors can find prime contractors with work which they could do.

The Defense Contract Service offices already have staffs available to advise on contracting and financial problems, and they are setting up technical staffs to aid contractors and prospective contractors on engineering problems.

Manufacturers will serve the country and themselves by making the fullest possible use of this service.

Spreading the defense job into every available plant is the best possible way to speed up urgently needed deliveries now, and to increase total production.

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## Planning for the future

President Roosevelt submitted to Congress a National Resources Planning Board report recommending a 6-year public works program to aid post-defense stabilization. The Board's report includes projects recommended in the 1942 budget and a number which it recommends for construction in the following years.

In an accompanying message, the President said "national defense is more than a mobilization of a Nation's armed strength," it also requires long-range planning for the post-defense period. The President said the report represents "a policy of intelligent planning for the future," but stated "because of the current national emergency, projects not needed for defense have been temporarily shelved." The program recommended by the Board, he said, would make available a number of projects "without in any way committing the Government to the immediate construction of such works."

## Emergency electric power for national defense

A program of power reserve cooperatives, to insure against prolonged outages on REA-financed distribution lines due to failure of power supplies, and to provide important sources of emergency power as a measure of national defense, was announced March 20 by Rural Electrification Administrator Harry Slattery.

Organization of such power reserve cooperatives is well under way in Georgia, the Carolinas, Illinois, Iowa, and Texas.

These groups will purchase and maintain fully mobile generating plants on a "fire engine" basis, normally storing them in a central, convenient location.

The primary purpose of the rural power reserve cooperative is to permit restoration of service on rural power lines in case of storm or other damage to the power source or to the transmission lines which feed a distribution system. As a byproduct—which is especially important to the present national defense efforts—it will provide emergency power for construction work on military establishments, for transplanted or newly established essential industrial plants pending construction of permanent power facilities, for amelioration of flood, fire, sabotage, or other damage to urban power sources, for emergency communications, for floodlighting temporary airfields and running their machine shops, and for hundreds of other emergency purposes.

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## Alaskan fur parkas camouflaged

A special unit has been set up in the supply division of the office of the Quartermaster General to supervise the procurement of clothing used by troops on duty in cold climates. Maj. A. Gutmann, Q. M. C., a fur specialist, has charge of this unit, the War Department announced March 18.

Fur is used to a large extent by the Alaska Defense Command. Shoes for use in Alaska include muckluks made of walrus hide and seal, moccasin type boots, rubber boots, boots with a rubber sole and leather upper, and ski boots, the particular type depending on the season and the military mission.

A development in cold-weather clothing is the reversible parka, one side of which is white and the other side forest green. This parka gives the soldier camouflage which is adaptable either to snow or to woods.

## Grand Coulee goes to work—to supply power for defense

Grand Coulee Dam, the greatest structure man has made on earth, went to work at noon, March 22.

Slated to supply vital electric energy to meet defense demands, Grand Coulee started operation of its gates on the Columbia River 2 years ahead of schedule, Secretary of the Interior Ickes announced.

Two 10,000-kilowatt generating units already in place will be dwarfed by a 108,000-kilowatt generator now being installed. These will be augmented by two additional 108,000-kilowatt units which will be in service within a year. As now planned, the power plant will have a maximum capacity of 1,974,000 kilowatts when completed.

Next largest power plant in the world is at Boulder Dam, and the third largest, about one-fourth the size of Grand Coulee, at Dneprostroy, Russia.

The Grand Coulee Dam, 550 feet high and 4,300 feet long, will store 10,000,000 acre-feet of water in a 151-mile reservoir for the irrigation of 1,200,000 acres of dry land, for the generation annually of 12 billion kilowatt-hours of electric energy, for flood control, river regulation, navigation improvements, and downstream power benefits.

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## Plants will be bought from Britain

Federal Loan Administrator Jones has announced that the Defense Plant Corporation would purchase from the British Government a powder plant near Memphis, Tenn., costing approximately \$25,000,000, and the following four machine-gun plants, worth approximately \$21,000,000; Buffalo Arms Corporation, Buffalo, N. Y.; Kelsey-Hayes Wheel Co., Plymouth, Mich.; Colt's Patent Firearms Manufacturing Co., Hartford, Conn.; High Standard Manufacturing Co., New Haven, Conn.

Mr. Jones said the plants are considered by the War Department as "necessary to our own national defense" and that "other plants may be acquired later." He said "to the extent that any of these plants continue to manufacture for the account of Great Britain, the DPC will receive a rental or a charge at a rate sufficient to amortize the cost of the plant over a period of 5 years."

# CONSUMER DIVISION . . .

## Suggested legislation to check skyrocketing rents in certain areas

Suggested State legislation to maintain fair rents in defense areas was made public in a report issued March 19 by Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission. The report is designed for use of State officials and State defense councils and was prepared with the cooperation of Mr. Leon Henderson, price stabilization member of the Commission.

"If living standards are to be protected during the emergency," Miss Elliott said, "there is an imperative need to maintain fair rents. The best way of doing this is by providing an adequate supply of permanent or temporary housing, rather than by regulating the rent of existing dwellings. But it has become increasingly apparent that legal machinery is necessary in certain congested localities where rents are reported to be skyrocketing."

### State rent commissions suggested

"The suggested bill is designed to prevent unreasonable rent increases in vital areas as well as to correct abuses which may occur," Miss Elliott said. It therefore provides two separate steps: One, the creation of a State rent commission with power to investigate rental conditions and designate areas within the State as emergency regions; and two, the actual application of rent control within those regions.

"The enactment of such legislation and the establishment of a State commission may succeed in preventing rent increases during the emergency and make unnecessary the second step of actual rent control," Miss Elliott said.

To avoid interfering with the construction of needed new housing, the suggested State bill calls for exemption of newly constructed dwellings. Provision is made for a State Emergency Rent Commission of five members, to be appointed by the Governor. The chief powers and duties of the Emergency Rent Commission are:

(1) To investigate, conduct hearings, and make findings of fact on housing and rental conditions throughout the State as affected by and as affecting the

national defense program;

(2) To try to prevent unjustifiable rent increases by means of publicity or by negotiation with parties concerned;

(3) To declare an emergency in any region of the State and to determine the boundaries of emergency rent regions; the law is to be administered by regional boards appointed by the Governor;

(4) To establish the normal rent in such regions and the classification to which such rents apply.

The law is to be administered by regional boards appointed by the Governor. Notice, hearing, and right of appeal are assured in the bill for all parties concerned. Penalties for violations are also provided.

### Rent increase may impair defense efficiency

In releasing the report, Miss Elliott pointed out that some State legislatures are in session at the present time and are in a position to determine the necessity for a legislative program to maintain fair rents, if emergency conditions exist or appear likely in those States. She said that other States should consider the necessity for introducing such legislation as soon as possible.

"Recent studies by the United States Bureau of Labor Statistics indicate that substantial rent increases have occurred and are continuing to appear in defense areas," Miss Elliott stated. "Unwarranted rises in rents may interfere with the efficiency of the entire defense program by causing excessive labor turnover in defense industries and by starting a spiral of rising living costs, rising wages, rising prices, and still higher living costs which will threaten economic stability."

The provisions of the suggested legislation follow the principles outlined in the report prepared for the Consumer Division by a committee of the National Association of Housing Officials, and are based upon study of these principles by an advisory committee of city and State legal officials, appointed by Miss Elliott. These committees were headed by Mr. Edward Weinfeld, New York State Housing Commissioner.

## Housing expert for consumers

Miss Harriet Elliott, Consumer Commissioner, National Defense Advisory Commission, announced on March 17 the appointment of Joseph P. Tufts as chief of the Housing Section of the Consumer Division.

Mr. Tufts succeeds Mr. Carleton Sharpe, who is returning to the Farm Security Administration to assist in handling defense housing problems of that agency. Mr. Tufts will conduct studies of rent problems, maintenance of fair rents, housing standards, and other consumer aspects of housing.

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## Pricing policies for consumer goods outlined by Miss Elliott

General pricing policies which should be followed during the present emergency by both manufacturers and distributors of consumer goods were outlined on March 20 by Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission.

Miss Elliott recommended that anticipated cost increases which have not yet materialized should not be made the basis for price advances; that when prices of new goods advance, inventories be averaged rather than marked up to the new level; that rigid adherence to the practice of traditional rates of mark-up should be discouraged unless it can be shown that costs have advanced by an equivalent amount.

### Fundamental policies

Miss Elliott strongly urged that these be adopted as fundamental policies in order to guard against a spiral in living costs. "Current pricing policies running contrary to these recommendations tend to boost prices more quickly and in greater amount than business costs rise," Miss Elliott said. "The net effect is a pyramiding of unwarranted price increases in consumer goods. The united action of American businessmen is necessary to avert these perils."

These pricing recommendations were contained in a letter from Miss Elliott to Mr. B. J. Cahn, president of B. Kuppenheimer & Co., manufacturers of men's

clothing, thanking Mr. Cahn for the assurance that his company was seeking to avoid unjustified price increases.

Commissioner Elliott's letter to Mr. Cahn follows:

"I am happy to have your assurance that your company will avoid the practice of including unmaterialized, anticipated cost increases in determining prices.

"The setting of prices on the basis of anticipated cost increases has a way of bringing these increases about. Prices at one stage of production become costs at later stages. They are therefore likely to be passed along, and in many cases even to be pyramided. The increased cost of living which results may provoke demands for wage increases and thereby induce a spiral of cost and price increases.

"I am similarly concerned about the practices of inventory valuation and of traditional rates of mark-up which I outlined to you. Some producers and distributors appear to be calculating their inventories on a replacement cost basis. This procedure has the effect of inflating costs and stimulating unnecessary increases in prices. I have been urging instead the use of average cost figures.

"The practice of traditional rates of mark-up has a similar inflationary effect. When this practice is followed, the price increase will be greater than the cost increase, by whatever percentage mark-up is adopted. There is under this procedure an automatic increase in the charges made for operating costs whenever the costs of merchandise or materials increase, despite the fact that rising costs of merchandise or materials do not necessarily involve increases in operating costs—most certainly they do not involve proportionate increases. Many unit operating costs are in fact likely to fall with the increased tempo of consumer demand. Rigid adherence to the practice of traditional rates of mark-up should be discouraged as provocative of a dangerous tendency toward price pyramiding.

"I am certain I can count on the united cooperation of American businessmen to avert the peril inherent in these practices. I hope I may have your support."

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## New consumer adviser

Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, announced on March 19 the appointment of Earl W. Elhart as adviser on retailing and marketing information.

Mr. Elhart has been granted a 6 months' leave of absence from his duties as editor of the Retail Executive Division of Women's Wear Daily.

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## Aluminum substitutes

Suggestions on the purchase and use of household substitutes for aluminum cooking utensils are contained in the March 14 issue of the Consumer Division's semimonthly bulletin, "Consumer Prices," available on request from the Consumer Division.

# PURCHASES . . .

## Compilation of defense contracts cleared and awarded, March 13 through March 19

Defense contracts totaling \$107,804,237 were awarded by the Army, Navy, and Maritime Commission and cleared by the Division of Purchases, Office of Production Management, during the period March 13 to March 19, inclusive.

This compares with \$106,224,332 for the previous week and \$49,533,693 for the week ended March 5. Contracts amounting to \$500,000 or more are cleared by the Division of Purchases of the Office of Production Management.

Cleared contracts awarded by the War Department during the latest period totaled \$36,229,039, by the Navy Department \$34,075,198, and by the Maritime Commission \$37,500,000.

### CONSTRUCTION

#### WAR DEPARTMENT

Dow Chemical Co., Freeport, Tex.; construction of machinery and equipment for the expansion of the Freeport plant; \$8,007,407.

Claussen-Lawrence Company, Augusta, Ga.; construction of temporary housing, roads, and utilities for the Augusta, Ga., air base; \$935,962.

Three contractors: Perrilliat-Rickey Construction Co., Inc., New Orleans, La.; Barber Brothers Contracting Co., Inc., and Barber Brothers Co., both of Baton Rouge, La.; construction of temporary Air Corps cantonment at East Baton Rouge Parish Airport, La.; architectural and engineering services George P. Rice, New Orleans, La.; \$1,441,340. Meyer Construction Co., San Francisco, Calif.; construction and completion of temporary housing including utilities thereto at Fort Cronkhite, Calif.; \$520,052.

Four contractors: Russ Mitchell, Inc., T. B. Hubbard Construction Co., Knutson Construction Co., and Joseph F. Meyer, Jr., all of Houston, Tex.; construction of additional frame buildings, tents, housing facilities, and one antiaircraft battalion, at Camp Hulen, Texas; \$622,788.

#### NAVY

Two contractors: Wigton-Abbott Corporation and Mahony-Troast Construction Co., Plainfield, N. J.; construction of naval supply depot at Bayonne, N. J.; \$3,000,000.

### SHIP CONSTRUCTION

#### Maritime Commission

North Carolina Shipbuilding Co., Wilmington, N. C.; merchant marine vessels, \$37,500,000.

### AIRCRAFT

#### War

Vultee Aircraft Inc., Nashville, Tenn.; for purchase of airplanes with Lycoming engines; \$3,735,890.

### ORDNANCE

#### WAR DEPARTMENT

Stewart-Warner Corporation, Chicago, Ill.; fuze units; \$601,180.79.

Hercules Powder Co., Kenil, N. J.; propellant powder; \$588,087.50.

Western Cartridge Co., East Alton, Ill.; small arms ammunition; \$1,801,645.

Western Cartridge Co., East Alton, Ill.; small arms ammunition; \$1,806,820.20.

Munitions Manufacturing Corporation, Poughkeepsie, N. Y., subsidiary of International Business Machines Corporation; manufacture of aircraft cannon; \$7,255,000.

#### NAVY

Babcock and Wilcox Co., New York, N. Y.; for manufacture in its plant at Alliance, Ohio, of ordnance equipment; \$2,550,000.

### EQUIPMENT AND SUPPLIES

#### WAR DEPARTMENT

Square D Company, Kollsman Instrument Division, Elmhurst, N. Y.; altimeter assemblies; \$666,000.

General Motors Corporation, AC Spark Plug Division, Flint, Mich.; plugs; \$900,000.

Champion Spark Plug Company, Toledo, Ohio; plugs; \$900,000.

A. C. Lawrence Leather Co., Peabody, Mass.; sheep shearing; \$930,938.

North American Aviation, Inc., Inglewood, Calif.; maintenance parts; \$792,733.19.

Eclipse Aviation Division, Bendix Aviation Corporation, Bendix, N. J.; starter assemblies; \$2,520,718.40.

Leece-Neville Co., Cleveland, Ohio; generator assemblies; \$1,595,428.50.

Eclipse Aviation Division, Bendix Aviation Corporation, Bendix, N. J.; generator assemblies; \$607,048.20.

#### NAVY

Hudson Motor Car Co., Detroit, Mich.; constructing, equipping, and organizing for operation of a plant for manufacture of ordnance equipment near Centerline, Mich.; \$20,000,000.

Leland-Gifford Co., Worcester, Mass.; for acquisition, construction, and installation of additional plant facilities and equipment at the plant; \$1,362,617.98.

Rohr Aircraft Corporation, Chula Vista, Calif.; construction, acquisition and installation of additional plant facilities at their plant; \$567,000.

Carnegie-Illinois Steel Corporation, Pittsburgh, Pa.; acquisition and installation in contractor's plant at Munhall, Pa., of additional equipment and facilities to enable contractor to produce armor and special treatment steel; \$1,310,000.

Carnegie-Illinois Steel Corporation, Pittsburgh, Pa.; acquisition and installation in contractor's plant at Mingo Junction, Ohio, of additional equipment and facilities to enable contractor to produce armor and special treatment steel; \$1,997,000.

Norris Stamping & Mfg. Co., Los Angeles, Calif.; aluminum cartridge containers; \$1,336,580.

Cooper-Bessemer Corporation, Grove City, Pa.; construction of propelling machinery for 16 motor minesweepers, YMS29-44; \$1,952,000.

# STATE AND LOCAL COOPERATION . . .

## Civil defense responsibility rests primarily upon State and local governments and individual citizens

What civil defense means and what is being done about it by the Federal, State, and local governments were discussed by Mr. Frank Bane, Director, Division of State and Local Cooperation, in an address, March 19, in Washington.

The tragic spectacle of the past year abroad has proved that internal weakness often is as dangerous as external threat, Mr. Bane pointed out. Defense today is nothing if it is less than total.

Behind the first line of military and industrial defense is civil defense—the maintenance of the home front, health, and physical efficiency not only of the people of the United States but also of the Nation's plant and machinery, the morale and social structure of its daily life. In these broad sectors of defense the Federal Government plays a supporting, rather than a leading role, for the site on which civil defense operates is the local community. Authority for making civil defense operate rests primarily upon State and local governments, and upon the responsibility and cooperation of individual citizens.

From the inception of the national defense program civil defense has been fully accepted as a strategic sector in total national defense. Since last summer, the States and localities have been getting under way with their defense councils. To date, 41 State and about 1,000 local councils have been organized, and the necessary action is being taken in the remaining states.

### Civil defense gaining momentum

As the gigantic defense effort rolls up increasing momentum, the impact of civil defense will be felt more and more widely, more and more acutely. At first, the man in the street may not have realized why intensive effort on the home front is essential. Many of the services which the emergency now requires have come to be taken for granted—fire and police protection, highway control, public health, and welfare—while others seemed too remote to be real.

The time has come when each per-

son—not just Government officials and members of State and local defense councils, but every individual citizen—needs to understand the practical problems entailed in civil defense, Mr. Bane stated.

In such fields as health, welfare, and housing, old problems are aggravated and new problems created by current upheavals and readjustments in family and community life.

Moreover, every community with a rapidly expanding population, or with a large concentration of single men, faces problems relating to vice, juvenile delinquency, and protection of young men and women. Controls—legal and social—must be maintained and strengthened.

In the field of law enforcement, it is recognized that the maintenance of civil rights and legal protections is the bedrock of democracy.

A constructive cooperative plan—calling for both State and Federal action—has been developed for the prevention of sabotage and subversive activities on the one hand, and for the preservation of civil liberties on the other.

The Division of State and Local Cooperation has helped develop a plan for mobilization of local police forces to supplement State police. A Fire Defense Committee has prepared a comprehensive plan of fire protection and prevention, which will be available shortly to all municipalities and States. The War Department has been developing technical instructions on air-raid protection, construction of shelters, medical care and sanitation, air-raid warnings, blackouts, and defense against chemical and gas attacks for issuance when, as, and if needed.

"But what can I do?" the citizen asks. Some of the volunteer jobs local defense councils are calling upon citizens to do includes the following: Assist in city-wide room registration; act as aides in hospitals and clinics; cooperate in community service programs for enlisted men and volunteers.

## Regional conferences of State councils of defense

Two regional conferences of State defense council executives have been held recently by the Division of State and Local Cooperation, one in Chicago, Ill., on March 7, the other in Memphis, Tenn., on March 22. These meetings mark initiation of the second series of regional conferences by the Division. First series was held during November and December 1940.

State defense council chairmen, executive officers, and other State officials attended both meetings. States in the Middle West were represented at Chicago. The Memphis meeting brought together officials from the Southern States and several States west of the Mississippi.

### Current topics discussed

Subcontracting, coordination of health, welfare, recreation, and related national defense activities, community facilities legislation and surveys, State defense legislation, and problems of rent control and regulation were discussed at these conferences.

Speakers on subcontracting were Mr. Francis J. Trecker and Mr. Joseph Trecker at the Chicago meeting, and Mr. Peter R. Nehemkis, Jr., at Memphis.

Mr. Charles P. Taft, assistant coordinator of health, welfare, recreation, and related defense activities, addressed both conferences.

At each of the meetings, Mr. Frank Bane, Director of the Division, discussed the general subject of Federal legislation to provide assistance in financing community facilities, problems of rent control and regulation, and State defense legislation.

Chairmen or executive officers of State defense councils reported on activities of their respective State councils, and general problems of organization and activities. The reports showed that State and local defense councils are becoming increasingly active in the solution of defense problems in their areas.

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## Digest of State defense legislation to be issued

First issue of a weekly digest of State legislative proposals and action relating to the defense program is to be issued



this week by the Division of State and Local Cooperation, Mr. Frank Bane, Director, has announced.

Distribution will be restricted to State and local defense councils and Federal agencies. There is need for such information, it is pointed out, in view of the many measures related to State and national defense that have been receiving consideration by the 1941 legislatures.

Subjects to be covered in the first issue are: Sabotage prevention, explosives, interstate public property protection, State guard, fresh pursuit by military forces, and State councils of defense.

The first five of these subjects are included in the "legislative program for defense" drafted by State officials on recommendation of the Federal-State Conference of Law Enforcement Problems of National Defense. This conference met in Washington, D. C., on August 5 and 6, 1940. Most pending and enacted legislation in those fields is patterned after model bills adopted at that conference. In addition, various States have considered and are acting upon State council of defense acts. Because of their importance, these bills also will be included in the first digest.

Other types of measures related to defense have received State legislative consideration in recent months. These include, for example, bills in the fields of defense housing, zoning and planning, civil rights, firearms, un-American activities, rights of soldiers and sailors, airports, eminent domain, and other types of acquisition of land for defense activities, public improvements, health, recreation, education and welfare, financing of defense projects, taxation related to defense, etc. Later issues of the weekly digest will include pertinent information on such subjects as these.

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## Listening posts for foreign broadcasts

The FCC announced establishment, in cooperation with the Defense Communications Board, of special 24-hour-a-day listening posts at strategic points throughout the Nation, to record and analyze foreign short-wave broadcasts directed to the United States. A picked force of 350 technicians, translators, clerks, propaganda analysts, and other experts will be employed on 8-hour shifts to carry on the work, the FCC said.

# HOUSING . . .

## Defense workers get 1,127 new dwellings in one week; total now 3,879 units

An additional 1,127 dwelling units were made available for defense workers under the coordinated housing program during the week ended March 15, C. F. Palmer, Coordinator of Defense Housing, has announced.

### Total occupied defense units

The number of dwelling units now occupied by families of defense workers and enlisted personnel has reached a total of 3,879 in 19 localities of 12 different States. Of the number of units completed, 1,317 are occupied by the married enlisted personnel of the Army and Navy, and 2,562 by civilian workers.

The 19 localities include Baltimore, Md., with 200 units; Montgomery, Ala., 424; Pensacola, Fla., 200; Corpus Christi, Tex., 250; Portsmouth, Va., 300; East Moline, Ill., 97; Columbus, Ga., 312; Rock Island, Ill., 120; Rantoul, Ill., 28; Vallejo, Calif., 200; San Diego, Calif., 100; Long Beach, Calif., 56; Key West, Fla., 50; Indian Head, Md., 20; Charleston, S. C., 200; Fort Knox, Ky., 541; Fort

Huachuca, Ariz., 30; Boston, Mass., 873; and Newport News, Va., 78

### Total allocations

As of March 15, allocations had been made for 72,335 units in 133 localities in 46 different States. Increases during the week included an additional 50 units to the Defense Homes Corporation for Jacksonville, Fla. This will raise the total number of units there to 694.

### Total contract awards

Contracts had been awarded for the construction of 40,957 units the week ending March 15. Of this number 23,277 were for civilian workers and 17,730 for married enlisted personnel of the Army and Navy.

#### F. H. A. Housing

	Week ended Mar. 15	Previous Week
New homes started.....	3,094	2,341
New home mortgages selected for appraisal.....	5,246	5,287

## STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION

March 15, 1941

	Funds allocated		Contracts awarded		Completed	
	March 15	March 8	March 15	March 8	March 15	March 8
Number of States and Territories.....	46	46	37	37	12	11
Number of localities.....	133	133	88	88	17	16
Number of projects.....	251	250	141	140	18	17
Number of family dwelling units.....	72,335	72,301	40,957	39,850	3,879	2,752
Civilian industrial workers.....	36,820	36,702	17,029	15,922	1,838	965
Other civilians: Employees of Army and Navy.....	9,759	9,759	6,198	6,198	724	724
Married enlisted personnel.....	25,770	25,770	17,730	17,730	1,317	1,063

## Aid to Democracies

President Roosevelt has announced that a program would be devised to extend aid in foodstuffs and agricultural commodities to Great Britain and other embattled democracies which might include making foodstuffs available for Spain and unoccupied France. The program would be financed partially by funds appropriated for the lend-lease program.

## Aluminum from common clay

TVA Director Lilienthal stated a pilot plant at Muscle Shoals, Ala., is now extracting alumina—from which aluminum is made—from common clay. The experimental plant produces a ton a day, from which half as much aluminum is recovered, Mr. Lilienthal said. Preliminary figures indicate that the cost of making the vital defense metal will be comparable to production costs where bauxite ore is used, he said.

## Establishment of National Defense Mediation Board by President

The Executive order whereby President Roosevelt established the National Defense Mediation Board, March 19, follows:

Whereas it is essential in the present emergency that employers and employees engaged in production or transportation of materials necessary to national defense shall exert every possible effort to assure that all work necessary for national defense shall proceed without interruption and with all possible speed:

Now, therefore, by virtue of the authority vested in me by the Constitution and the statutes, and in order to define further certain functions and duties of the Office for Emergency Management of the Executive Office of the President with respect to the national emergency as declared by the President to exist on September 8, 1939, it is hereby ordered as follows:

1. (a) There is hereby created in the Office for Emergency Management, a board to be known as the National Defense Mediation Board (hereinafter referred to as the Board). The Board shall be composed of 11 members to be appointed by the President, of whom 3 shall be disinterested persons representing the public, 4 shall be representative of employees and 4 shall be representatives of employers. The President shall designate as chairman of the Board one of the members representing the public.

(b) Each member of the Board shall receive necessary traveling expenses, and each member who, during the period of his service on said Board, is not an officer or employee of the United States shall receive in addition thereto \$25 per diem for subsistence expense on such days as he is performing Board duties. Within the limits of such funds as may be appropriated by Congress or allocated to it by the President, through the Bureau of the Budget, the Office of Production Management shall furnish the Board with necessary experts, assistants, officers, and employees, and make provision for the necessary supplies, facilities, and services.

2. Whenever the Secretary of Labor certifies to the Board that any controversy or dispute has arisen between any employer (or group of employers) and any employees (or organization of employees) which threatens to burden or obstruct the production or transportation of equipment or materials essential to national defense (excluding any dispute coming within the purview of the Railway Labor Act as amended) and which cannot be adjusted by the commissioners of conciliation of the Department of Labor, the Board is hereby authorized—

(a) To make every reasonable effort to adjust and settle any such controversy or dispute by assisting the parties thereto to negotiate agreements for that purpose;

(b) To afford means for voluntary arbitration with an agreement by the parties thereto to abide by the decision arrived at upon such arbitration, and, when requested by both parties, to designate a person or persons to act as impartial arbitrator or arbitrators of such controversy or dispute;

(c) To assist in establishing, when desired by the parties, methods for resolving future controversies or disputes between the parties; and to deal with matters of interest to both parties which may thereafter arise;

(d) To investigate issues between employers and employees, and practices and activities thereof, with respect to such controversy or dispute; conduct hearings, take testimony, make findings of fact, and formu-

late recommendations for the settlement of any such controversy or dispute; and make public such findings and recommendations whenever in the judgment of the Board the interests of industrial peace so require;

(e) To request the National Labor Relations Board, in any controversy or dispute relating to the appropriate unit or appropriate representatives to be designated for purposes of collective bargaining, to expedite as much as possible the determination of the appropriate unit or appropriate representatives of the workers.

3. Whenever a controversy or dispute is certified to the Board, in accordance with section 2, the Chairman, in accordance with regulations prescribed by the Board, shall designate as a division of the Board such members as he deems necessary to take action with respect to such controversy or dispute, and to perform in connection therewith any of the duties enumerated in section 2; provided (a) that no less than 3 members shall be assigned to any such division, and (b) that each of the 3 groups represented on the Board shall be represented on any such division.

4. Whenever a controversy or dispute which has not been certified to it in accordance with section 2 is brought to the attention of the Board, it shall refer the matter to the Department of Labor.

It is hereby declared to be the duty of employers and employees engaged in production or transportation of materials essential to national defense to exert every possible effort to settle all their disputes without any interruption in production or transportation. In the interests of national defense the parties should give to the Conciliation Service of the Department of Labor and to the Office of Production Management (a) notice in writing of any desired change in existing agreements, wages, or working conditions; (b) full information as to all developments in labor disputes; and (c) such sufficient advance notice of any threatened interruptions to continuous production as will permit exploration of all avenues of possible settlement of such controversies so as to avoid strikes, stoppages, or lockouts.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,  
March 19, 1941.

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## Industrial production high, Federal Reserve reports

The Federal Reserve System reported its index of industrial production reached a record high of 141 in February because of the defense program. Increases were noted in plants, aircraft factories, shipyards, and railroad equipment plants, cotton textile, rubber, chemical, and wool industries, while crude petroleum remained at the high rate of the past 3 months. Pig iron, coke, and nonferrous metals production reached "near capacity rates," and the demand for lumber was "sustained in large volume," the report said.

## Health of present trainees better than those of 1917, sample analysis indicates

A sampling of findings by approximately 1,000 induction boards in the 9 corps areas indicated that the citizen called into service in 1940 is generally much healthier than the 1917 recruit, the War Department announced March 20.

The figures are based on an examination of 9,714 rejection reports which show that teeth defects are the greatest single cause of disqualification. Approximately three times as many men were turned down because of defective teeth in 1940 than in 1917, proportionately. However, in most other categories the health statistics of the average trainee have taken a salutary leap upward during the lapse of 23 years.

Lung, heart, muscular, bone, and foot defects have decreased more substantially than all other ailments. A slight increase in venereal diseases as a cause of rejection has been noted. This rise is attributed, though, not to an increase in the incidence of such diseases but to the laboratory tests now made to detect them. Where such diseases might have gone unnoticed in 1917, they are now discovered by the technician with his microscope.

The figures used in the present analysis may be altered somewhat when final reports on all trainees have been tabulated. They are presented below in comparison with percentages of rejections in a much larger group of men examined early in 1917, when medical requirements of the Army closely corresponded with those in force in 1940.

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## Air base at Baton Rouge

The War Department announced March 18 the award of a contract approved by OPM, to the Perrilliat-Rickey Construction Co., Inc., New Orleans, La.; Barber Bros. Contracting Co., Inc., and Barber Bros. Co., both of Baton Rouge, La., for the construction of a temporary Air Corps cantonment at East Baton Rouge Parish Airport, La. Total estimated cost, \$1,441,340.

# PRIORITIES . . .

## Priority control of aluminum strengthened by new order covering both defense and non-defense supplies

An over-all formula governing the allocation of aluminum for both defense and nondefense purposes—a further step in the control of the metal in the interests of national defense—is set forth in a general preference order issued March 22 by the Priorities Division of the Office of Production Management to all producers, fabricators, and secondary smelters of aluminum.

The allocation formula, rating defense and nondefense needs in the order of importance, is a temporary one, subject to revision in the light of experience.

E. R. Stettinius, Jr., Director of Priorities, signed the preference order which strengthens the priority control imposed on aluminum February 24 and expands it to include the secondary smelters as well as other producers and fabricators.

In addition to the usual grades of aluminum, alloys of which aluminum constitutes the major part are covered in the order.

Subject to the assignment of superior ratings, all defense orders for aluminum are assigned an automatic preference rating of A-10 (in place of the A-2 rating assigned in the February 24 instructions), and it is provided that defense orders for Great Britain will receive the same preference rating treatment accorded Army and Navy and other defense orders.

Producers, fabricators, and secondary smelters of aluminum, the order stipulates, are to make deliveries until further notice according to a schedule, set forth in a supplementary order. The producers are required to fit their deliveries into this schedule and to make reports to the Priorities Division.

### Aluminum scrap

In order to cover the scrap field, the order declares that no producer shall enter into a contract for the toll-rolling or other fabrication of aluminum scrap by toll agreement unless authorization for this has first been obtained from the Director of Priorities.

The communication from Mr. Stettinius to the producers, fabricators, and

smelters makes it clear that the Priorities Division has given consideration to the need for keeping workers employed as steadily as possible. Because of this, it is said, the Priorities Division, in administering the allocation system, will give special attention to any evidence indicating the possibility of keeping the greatest possible number of workers employed without impeding the defense program.

Preference ratings are set forth by classes in the schedule, and range from those in the A class, at the top, down to a rating of B-8.

Suppliers of aluminum are required to give an A class rating to all defense orders (A-10 if no higher rating has been assigned by the Priorities Division or by the agents of the Army and Navy Munitions Board) and to any other orders, including nondefense orders, on which the Priorities Division may assign class A ratings.

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## First of 200 new merchant ships due in 287 days

The first of 7 contracts for the construction of 200 merchant ships of simplified design in the President's emergency program has been cleared with the Office of Production Management and awarded to the North Carolina Shipbuilding Co. of Wilmington, N. C., the Maritime Commission announced March 18.

The contract is for 25 ships at a total estimated base cost of \$37,500,000. Delivery of the first vessel is called for within 287 days, and all 25 vessels are to be delivered within 731 days from the date of the contract, which was signed Friday, March 14.

### Preliminary work already begun

Preliminary work on construction of the vessels has been carried forward for the last 2 months by the North Carolina Shipbuilding Co. and the Commission without waiting for the signing of the

contract. The company has begun construction of a 6-way shipyard at a cost of \$5,140,000.

Contracts for the other 175 ships being built in the emergency program are now being negotiated and are expected to be signed in the near future.

The Commission was authorized to construct the 200 emergency ships in a joint resolution which became law on February 6.

The vessels will be 425 feet long, of 10,000 tons deadweight, and will have a speed of 10 to 11 knots.

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## THREE NEW CARGO VESSELS

Two C-1 cargo vessels and one C-3 passenger and cargo vessel are scheduled for delivery on March 25 and March 26, the Maritime Commission announced March 20.

The S. S. *Alcoa Prospector*, C-1 cargo vessel, will be delivered on Tuesday, March 25, at the Staten Island yard of the Bethlehem Steel Co. and the S. S. *Alcoa Pioneer*, C-1 cargo, will be delivered on the same day at the San Francisco, Calif., yard of the Bethlehem Steel Co. Both vessels will be operated by the Alcoa Steamship Co. from United States Atlantic and Gulf ports to eastern Caribbean ports and north coast of South America ports.

The S. S. *President Garfield*, the fourth of a series of seven combination passenger and cargo vessels building for the American President Lines, will be delivered on Wednesday, March 26, at the yard of the Newport News Shipbuilding and Dry Dock Co., Newport News, Va., to the American President Lines for its round-the-world service.

These deliveries bring to a total of 74 the number of vessels delivered in the Maritime Commission's long-range construction program.

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## Defense for fish and wildlife

To safeguard the Nation's wildlife resources, President Roosevelt has requested that a liaison officer from the Fish and Wildlife Service keep informed of the activities of defense agencies which would seem damaging to fish or wildlife, Secretary of the Interior Harold L. Ickes announced March 19.

## Formal operating plan for priorities announced by E. R. Stettinius, Jr.

Following a series of conferences between representatives of the Army and Navy Munitions Board and officials of the Priorities Division, OPM, E. R. Stettinius, Jr., Director of Priorities, announced March 19 that the informal working arrangement between these agencies had been reduced to a formal plan for the operation of the priorities system.

In doing so he made public:

(1) the first Administrative Order of the Director of Priorities providing formal authorization for the handling of priorities for items on the Priorities Critical List by the Army and Navy Munitions Board, and validating previous priorities orders and actions;

(2) the Priorities Critical List, never before made generally public, setting forth all items on which the Army and Navy field services can automatically assign priority ratings;

(3) the official instructions from the War and Navy Departments to their supply, arms, services, bureaus, and offices;

(4) a revised circular bringing up-to-date the description of the priorities system in operation.

(By communicating with the Division of Information, Office for Emergency Management, Washington, D. C., editors may secure copies of the above listed material.)

### Ratings for critical items

One of the major changes provided in the formal plan, which follows the temporary working arrangement announced February 17, is that the Army and Navy Munitions Board, its officers and agents, will now administer the assignment of preference ratings to Army and Navy orders not only for prime contracts and first subcontracts (as provided in the February 17 arrangement), but also for all other subcontracts for critical list items entering into such orders.

### New critical list

As in the past, the Army and Navy Munitions Board will operate wholly within the framework of the Priorities Critical List. It is of interest to note that a number of new items have been added to the Priorities Critical List, including those recently subjected to industry-wide mandatory priorities, such

as aluminum, magnesium, Neoprene, and nickel. Allocation of such products by the Priorities Division will take precedence over ratings assigned by the Army and Navy field staffs when shortages are so acute as to make necessary a diminution of quantities flowing to military channels.

### OPM—priorities authority

Authority for the priorities system is vested in the Director of Priorities and the Priorities Division of the OPM, and all priorities certificates will go out over the signature of Mr. Stettinius, but will be actually distributed by the Army and Navy field services when the material involved is on the Priorities Critical List.

### Ratings for noncritical items

The Division will continue to handle directly the assignment of ratings for items not on the critical list (including raw materials not on the list), for important civilian projects, and the priority actions for the allocation of certain materials which must be handled on an industry-wide basis. Such direct allocations by the Priorities Division may modify individual priority certificates.

### Ratings for Britain

Provisions of interest in connection with the revised system include:

(1) The Army and Navy Munitions Board will assign ratings to prime contracts of certain foreign governments, including Great Britain and Canada, and provision is made for the extension of these ratings to subcontracts.

(2) Only an official preference rating certificate will be binding, but manufacturers will be encouraged to inform their subcontractors and suppliers as to what ratings may be extended to their work if a priority certificate is requested and issued. This will enable subcontractors to plan for readjustments which might be necessary if and when a preference rating certificate is issued.

(3) A completely new set of forms will be issued in operating the priorities system. However, previously issued certificates and extensions, properly issued and executed will remain valid.

### Limited blanket ratings

(4) In special situations, such as the case of companies engaged almost wholly

in defense work, or in case of special urgency in connection with a particular defense project, the Priorities Division is prepared to grant authority for the automatic use of limited blanket ratings which will be valid for a limited period only. Such limited blanket ratings will include a list of the specific items to which the rating is applicable. A blanket rating of this type was issued to nine crane builders on March 12.

### Civilian needs observed

(5) In administering the system, the Priorities Division can give priority aid to important civilian projects, as well as military projects or foreign orders, and will continue to see to it that civilian needs are carefully balanced with defense needs at all times.

### Various priorities techniques

(6) The preference rating certificate will continue to be the principal administrative mechanism in the operation of the system. These certificates or ratings may be applied "automatically" to Army and Navy orders by the Army and Navy Munitions Board and its agents for items on the Priorities Critical List. The Priorities Division, however, may also issue specific certificates for individual contracts, whether the items involved are or are not on the Priorities Critical List, and may also use such techniques as blanket ratings and industry-wide priorities for allocations in order to accomplish desired objectives.

(7) The Priorities Critical List will be subject to revision once each month. Items on the list are deemed to include all fabricated parts necessary for the completion, maintenance, or operation thereof, which are designed to meet military specifications, and as designed are not commercially useful for ordinary civilian purposes.

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## Labor in arsenals

More than 35,000 workers are now employed in Army arsenals, in comparison with 13,000 in 1939, Under Secretary of War Patterson has stated. Production increases show: small arms ammunition, 500 percent; artillery cartridge cases, 1,200 percent; fire control instruments, 900 percent; artillery shells, 3,000 percent; Garand rifles, 1,600 percent; smokeless powder, 900 percent.









